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CONFERENCES

on

MUNICIPAL FINANCE STATISTICS

Dominion-Provincial Conferences - 1937-58

Queen's University Conference - 1966



DOMINION BUREAU OF STATISTICS

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DOMINION BUREAU OF STATISTICS
Governments Division

A Review
of
CONFERENCES
on
MUNICIPAL FINANCE STATISTICS

Dominion-Provincial Conferences - 1937-58

Queen's University Conference - 1966

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FOREWORD

During the period from 1937 to 1958 there have been seven Dominion-Provincial Conferences on Municipal Statistics in Canada and this publication provides a summary reference to the most important deliberations of those Conferences.

The list of the delegates to these meetings embraces a formidable concentration of knowledge and experience in the government finance field and, as in the past, much still depends upon the generous assistance and co-operation of such government officials.

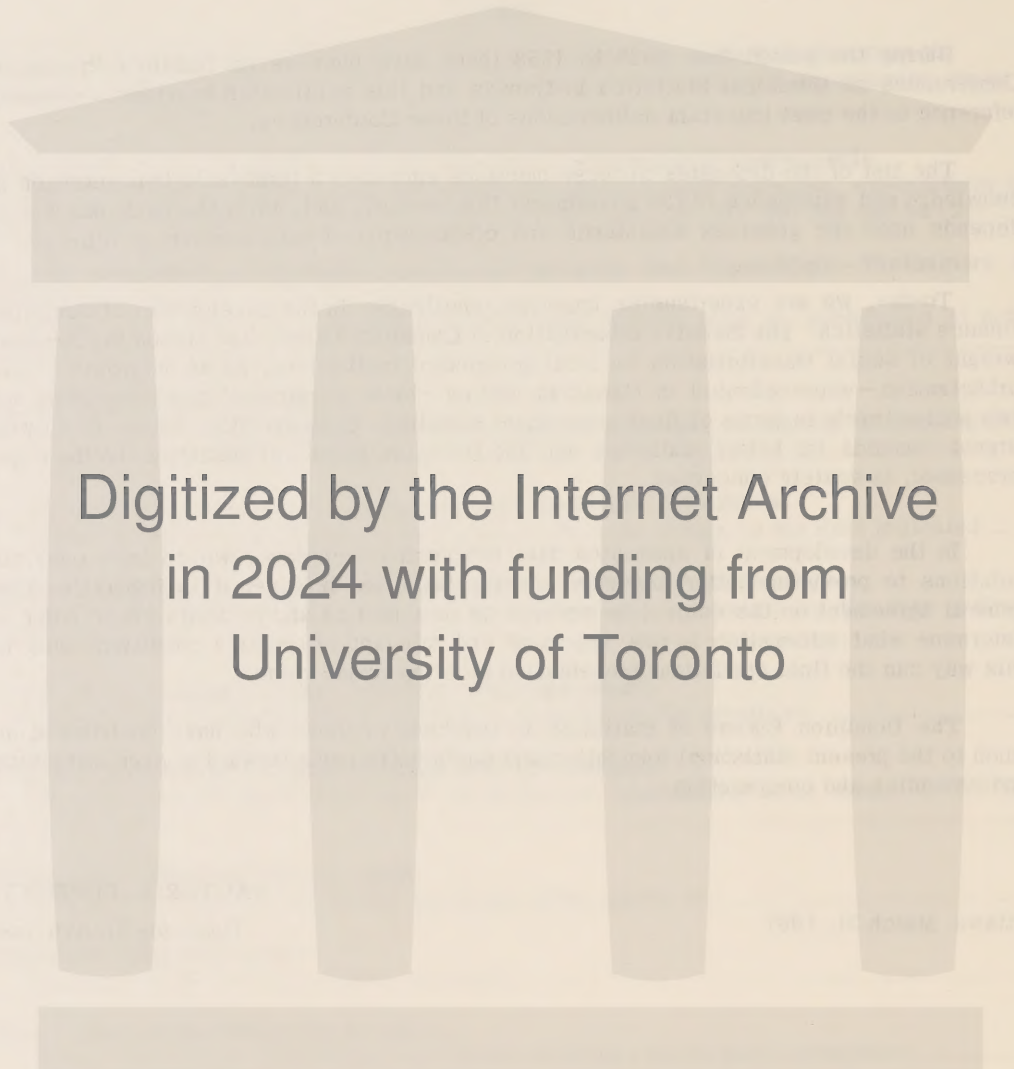
To-day, we are experiencing important challenges in the development of municipal finance statistics. The massive urbanization of Canadian society has placed the immense weight of social transformation on local government institutions. As an outgrowth of this urbanization—unprecedented in Canadian history—local government has overtaken the two senior levels in terms of final government spending. Consequently, we are faced with urgent demands for better statistics and the Dominion Bureau of Statistics, as the major processor, is acutely concerned.

In the development of automated data processing techniques we do have possible solutions to providing better and more timely statistics; however it is imperative that general agreement on the subject be secured by re-appraisal and re-definition in order to determine what information is now important and relevant to to-day's condition. Only in this way can the final statistical presentation be of maximum value.

The Dominion Bureau of Statistics is indebted to those who have contributed so much to the present statistical foundation and confidently looks forward to ever-increasing understanding and co-operation.

Ottawa, March 31, 1967

WALTER E. DUFFETT,
Dominion Statistician.



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INTRODUCTION

The need for accurate and comparable statistics relating to government finance was clearly recognized by the Conference on Statistics of Provincial Finance held in 1933. The resultant initiative taken, was first in the field of **provincial** finance by a series of conferences dating from 1933 to 1960. Upon completion of these meetings, a review was published by the Dominion Bureau of Statistics in 1966.

The first Dominion-Provincial Conference on **municipal** statistics was held in 1937 prompted by the 1933 Conference referred to above, and by briefs submitted to the Government of Canada by the Municipal Officers' Association of the United States and Canada, and the Federation of Mayors and Municipalities in 1937. The seventh Conference on municipal statistics was held in September 1958.

In addition to the formal conferences, an informal conference on municipal statistics was held at Queen's University in May 1966. The joint sponsors of this meeting, recognizing that eight years had elapsed since the last Dominion-Provincial Conference in 1958, attempted generally to survey present programs and estimate future needs of known users of government finance statistics.

One of the primary objectives of the Dominion-Provincial Conferences was the standardization of municipal finance reporting throughout Canada. To achieve this goal, the first Conference appointed a committee to study the matter of reporting, and, to make recommendations. The studies and research work of this committee extended over a period of three years and culminated in the publication of the "Manual of Instructions". Over the years, many of the original recommendations have been enlarged upon and brought up-to-date and a third edition of

the manual was developed under the name of "Municipal Finance Reporting Manual" and issued in 1960.

As previously stated, the main objective of the informal "Queen's" Conference was to enquire into the changing and sophisticated needs of users of government finance statistics.

To achieve these two objectives, conferences on municipal statistics will undoubtedly be a continuing requirement for three main reasons. Firstly, the strains of urbanization have resulted in expansion of government services at the local level greater than that experienced by the federal or provincial levels where the sources of revenue are more diversified and buoyant. Consequently, municipal governments have become heavily dependent upon provincial grants to ease the strain of urbanization, and, in turn, the provinces have sought aid from the federal government. This fiscal inter-relationship of governments is the most important factor in necessitating frequent consultation. Secondly, urbanization is causing uneven reorganization of local government, changing the emphasis between provinces in comparable services and statistics. Finally, because municipalities are under the jurisdiction of the provinces, there will always be the need for joint consultation between the federal government and the provinces to achieve co-ordination and standardization of reporting within the municipal framework of Canada.

It should be noted that some of the recommendations of the Dominion-Provincial Conferences have not yet been implemented; others have been implemented or adjusted to meet changing conditions. Generally speaking, the objectives of future conferences will continue to be those as enunciated by previous conferences and, as this Review will testify, a firm foundation for future conferences has been successfully established.

PART I

DOMINION-PROVINCIAL CONFERENCES

1937 - 58

FIRST CONFERENCE - JULY 19 TO 22, 1937

The Conference on Municipal Statistics called by the Hon. W.D. Euler, M.P., Minister of Trade and Commerce, was the outcome of a resolution passed by the Canadian Federation of Mayors and Municipalities at its union meeting held at Ottawa in March, 1937, as follows:

That your Committee recommend that the Dominion Government be urged to summon a conference of the Provincial Ministers of Municipal Affairs, the Provincial Statisticians, of representative municipal finance officers from the different provinces and of representatives of this conference, in order to promote the introduction of a standardized system of municipal accounting and the gathering and presentation of municipal statistics on a uniform standardized basis.

Previously, the Municipal Finance Officers' Association of the United States and Canada at its annual meeting in Toronto in September, 1936, passed the following resolution:

RESOLVED that this Association recommend to the Bureau of Statistics of the Dominion Government, Ottawa, the calling together of a conference of representative Municipal Finance Officers from the different provinces. The main purpose of such conference to be for the supplying of information in greater detail and with more uniformity for the citizens and officials of the local and provincial governments and all other interests needing reliable and comparative municipal statistics.

Still earlier, in 1933, the Conference on Statistics of Provincial Government Finance, held at Ottawa, presented to the then Minister of Trade and Commerce the following resolution:

That this Conference record its opinion that in order to achieve a proper understanding of the entire field of public finance, it is essential that a uniform method of reporting municipal and similar statistics be devised, and that steps appropriate to this end should be taken by the Dominion Bureau of Statistics at an early date.

These resolutions were transmitted to the Honourable the Minister of Trade and Commerce, and on May 5th, 1937, he communicated with the various Provincial Ministers directing municipal affairs, inviting each to send a representative to meet at Ottawa on July 19th, 1937, in order to discuss with the Dominion Bureau of Statistics the possibilities of co-ordinating the statistics of municipal activities throughout Canada. The Minister at the same time extended a similar invitation to the Canadian Federation of Mayors and Municipalities, to the Municipal Finance Officers' Association of the United States and Canada and to the mayor of the largest city in each province. The Department of Finance, the Department of Labour and the Bank of Canada were also asked to take part in the proceedings.

The invitation met with a cordial acceptance by all concerned, and the Conference was finally constituted as follows:

Representing the **Provincial Governments:**

Nova Scotia:

Frank Rowe, Assistant Municipal Commissioner.

Prince Edward Island:

P.S. Fielding, Deputy Provincial Treasurer.

New Brunswick:

Jas. H. Conlon, Director of Federal and Municipal Relations.

Quebec:

J.A. Townner, C.A., Commissioner, Quebec, Municipal Commission

J. Theo. Lamontagne, Acting Chief, Bureau of Statistics.

Ontario:

E.A. Horton, Deputy Minister, Department of Municipal Affairs

A.J.B. Gray, Department of Municipal Affairs

R.J. Moore, Department of Municipal Affairs

H.H. Walker, Department of Municipal Affairs.

Manitoba:

R.M. Fisher, K.C., Deputy Minister, Department of Municipal Commissioner.

Saskatchewan:

Louis Jacobs, Inspector of Municipal Accounts.

Alberta:

A. Soutter, Deputy Minister, Department of Municipal Affairs.

British Columbia:

R.S. Gilchrist, Supervisor of Municipalities.

Representing the **Canadian Federation of Mayors and Municipalities:**

Mayor Stanley Lewis, Ottawa, Treasurer (also representing the Mayors' Association of Ontario)
Alderman W.H. Biggar, Montreal, Honorary Secretary
H. Carl Goldenberg, M.A., B.C.L., Montreal, Economist and Statistician.

Representing the **Municipal Finance Officers' Association of the United States and Canada:**

G.P. Gordon, Finance Commissioner, Ottawa (also representing the Canadian Federation of Mayors and Municipalities).

Representing the **Department of Finance, Canada:**

A.K. Eaton, Ph.D.

Representing the **Department of Labour, Canada:**

Tom Moore, Asst. Chairman, National Employment Commission

C.W. Bolton, M.A., Chief of Statistical Branch

J.K. Houston, Dominion Unemployment Relief.

Representing the **Bank of Canada:**

D.A. Skelton, B.Com., Chief of Research Department
J.R. Beattie, B.A.
John J. Deutsch, B.Com.

Representing the **Ontario Mayors' Association:**

Mayor M.M. MacBride, M.L.A., Brantford.

Representing **Cities:**

A.M. Butler, City Auditor, Halifax
Geo. P. Nicholson, City Clerk, Charlottetown
Lestance Roberge, Director of Finance, Montreal
Geo. S. Mooney, Dept. of Planning and Research,
Montreal Metropolitan Commission
G.A. Lascelles, Executive Secretary, Treasury
Department, Toronto
E.J. Campbell, City Clerk, Brantford
David D. Ross, City Treasurer, Regina.

Representing the **Dominion Bureau of Statistics:**

R.H. Coats, LL.D., F.R.S.C., Dominion Statistician,
Chairman
Col. J.R. Munro, Chief, Finance Statistics Branch,
Secretary
H.H. Marshall, B.A., F.S.S., Chief, Internal Trade
Branch
G.S. Wrong, B.Sc., Chief, Transportation and Public
Utilities Branch
H.G. Caldwell, M.A., B.Com., General Statistics
Branch
F.I. Tanner, Construction Statistics Branch.

The resolutions adopted were:

1. That this Conference endorse the principle of uniformity in municipal accounting and in the preparation and presentation of municipal statistics, and the avoidance of duplication in this regard, and that these objectives be achieved by continued co-operation of the Dominion Government and the governments of the several provinces.
2. That this Conference recommend the adoption of the prepared forms for the presentation of uniform general municipal statistics, and of uniform statistics relating to municipal revenues and expenditures as a basis for attaining the desired uniformity.

3. That this Conference appoint:

- (a) a Continuing Sub-committee on General Municipal Statistics;
- (b) a Continuing Sub-committee on Revenue, Expenditure, Balance Sheets and the Classification of Municipal Accounts; and
- (c) a Continuing Committee on Assessment and Population for the purpose of reporting to the Dominion Bureau of Statistics and the various Provincial Departments of Municipal Affairs.

4. That this Conference recommend that all forms under consideration be referred to the various financial and other organizations for suggestions and advice in order that the forms finally adopted may be suited to their purpose so that the duplication and inconvenience referred to, be avoided.

5. That this Conference accept the "Municipal Accounting Terminology" prepared by the National Committee on Municipal Accounting as amended by the Committee on Terminology of this Conference.

6. That the Dominion Bureau of Statistics be requested to undertake in co-operation with the Departments of Municipal Affairs or other appropriate departments of the several provinces a study of existing legislation and the forms at present in use for the collection of municipal statistics throughout Canada with a view to a classification of the different types of local government units.

7. That this Conference recommend that all units of local government adopt the calendar year as the fiscal year.

8. That this Conference approve the principle as already adopted in certain provinces of a central statistical organization.

9. That this Conference endorse the principle adopted in certain of the provinces for the training and approval of municipal officials and auditors, and that facilities be provided for training in public administration.

SECOND CONFERENCE - MAY 6 TO 9, 1940

The conference was called by the Hon. W.D. Euler, M.P. Minister of Trade and Commerce.

The following is a list of the representative delegates:

Representing the **Provincial Governments:**

Nova Scotia:

H.J. Egan, C.A., Assistant Municipal Commissioner

C.L. Beazley, Department of Municipal Affairs.

New Brunswick:

Jas. H. Conlon, Director of Federal and Municipal Relations.

Quebec:

J.A. Towner, C.A., Commissioner, Quebec Municipal Commission

Samuel Gascon, Provincial Statistician.

Ontario:

E.A. Horton, B.Com., Deputy Minister, Department of Municipal Affairs

A.J.B. Gray, Chief Supervisor, Department of Municipal Affairs

J.H. Lowther, Statistician, Department of Municipal Affairs.

Manitoba:

R.M. Fisher, K.C., Deputy Municipal Commissioner

Saskatchewan:

Louis Jacobs, C.A., Director of Municipal Auditing and Accounting.

British Columbia:

R.S. Gilchrist, Supervisor of Municipalities.

Representing the **Canadian Federation of Mayors and Municipalities:**

President, Mayor Stanley F. Lewis, City of Ottawa
Advisory Economist, H.C. Goldenberg, M.A., B.C.L.

Representatives of **Special Committees** on revenues, expenditures and balance sheets:

G.P. Gordon, Commissioner of Finance, City of Ottawa

E.T. Sampson, Secretary Treasurer, City of Outremont.

Representative of the **Municipal Finance Officers' Association (M.F.O.A.) of the United States and Canada:**

Don Larson, Chicago, Ill., U.S.A.

Representing the **Bank of Canada** and the **Department of Finance:**

J.R. Beattie, B.A., Research Department, Bank of Canada

J.J. Deutsch, B.Com., Research Department, Bank of Canada

J.M. Lomax, Comptroller-General's Office.

Representing the **Dominion Bureau of Statistics:**

R.H. Coats, LL.D., F.R.S.C., F.S.S. (Hon.), Dominion Statistician, Chairman

S.A. Cudmore, M.A. (Oxon.), Assistant Dominion Statistician

Col. J.R. Munro, Chief, Finance Statistics Branch, Secretary

M.C. MacLean, M.A., Chief, Social Analysis Branch

G.S. Wrong, B.Sc., Chief, Transportation and Public Utilities Branch

F.I. Tanner, Chief, Construction Branch.

The following resolutions were adopted:

1. That the reports of the Committees on terminology, revenues, expenditures and balance sheet schedules be referred back to the respective committees for revision in the light of the discussion in conference and that the Dominion Bureau of Statistics on receipt of the amended reports from the respective committees resubmit them to the Provincial Departments of Municipal Affairs and that this Conference reassemble during the present calendar year with a view to adoption of a final policy.
2. That when the report of any Committee is prepared and printed, mention be made therein if and when any classification or terminology of any association such as M.F.O.A. and N.A.A.O. is used.
3. That the Committee on revenues, expenditures and balance sheets be requested to prepare and submit as part of its report, a "Manual of Instructions" for preparation of the revenue, expenditure and balance sheet statements.
4. That each province be requested to send to the Dominion Bureau of Statistics a statement of the different local units, governmental or otherwise, giving with respect to each, its description, function and number, and that the Bureau tabulate and classify this information and transmit the same to the Department of Municipal Affairs of each Province, together with a suggestion of a uniform classification for statistical purposes for approval or correction and that the final report be submitted to any subsequent conference.

THIRD CONFERENCE - DECEMBER 4 TO 6, 1940

The conference was called by the Hon. James A. MacKinnon, M.P., Minister of Trade and Commerce.

The following representatives were present:

Representing the **Provincial Governments:**

Nova Scotia:

H.J. Egan, C.A., Municipal Commissioner
C.L. Beazley, Senior Solicitor, Department of Municipal Affairs.

Quebec:

Samuel Gascon, Provincial Statistician, Department of Municipal Affairs, Trade and Commerce
J.A. Townner, C.A., General Manager, La Caisse d'Economie de Notre Dame de Quebec.

Ontario:

E.A. Horton, B.A., M.B.A., Deputy Minister, Department of Municipal Affairs
A.J.B. Gray, Chief Supervisor, Department of Municipal Affairs
J.H. Lowther, Statistician, Department of Municipal Affairs.

Saskatchewan:

Louis Jacobs, C.A., Director of Municipal Auditing and Accounting.

Alberta:

A. Soutter, Deputy Minister, Department of Municipal Affairs

British Columbia:

R.S. Gilchrist, Supervisor of Municipalities.

Representing the **Bank of Canada:**

D.A. Skelton, B.Com., Chief of Research Department

J.J. Deutsch, B.Com., Research Department
J.E. Howes, Research Department.

Representative of **Special Committees** on terminology, and revenues, expenditures and balance sheets:

G.P. Gordon, Commissioner of Finance, City of Ottawa.

Representing the **Dominion Bureau of Statistics:**

R.H. Coats, LL.D., F.R.S.C., F.S.S. (Hon.), Dominion Statistician, Chairman

S.A. Cudmore, M.A. (Oxon.), Assistant Dominion Statistician

Col. J.R. Munro, Chief, Finance Statistics Branch, Secretary.

Resolutions adopted were:

1. THAT the Dominion Bureau of Statistics prepare a basis of instructions setting out the manner and procedure for preparing population statistics which would be used for the purpose of obtaining and checking population information required.
2. That the general statistics schedules for areas (assessed for taxation and exempt from taxation) and assessed valuations, as amended, be accepted and adopted.
3. That the recommendations of the sub-committee on Classification of Local Government Units as follows:
 - (1) The Chart summarizing definitions is to contain only those local municipal bodies that have the power to impose taxes (not service charges) directly upon the taxpayer. The title of the chart to be changed to read "Summarized Definitions of Local Government Taxing Authorities".
 - (2) The written portion of the report which follows the chart is to be divided into two sections:
 - (a) An elaboration of the definitions of the units appearing in the chart with additional information respecting administrative functions, etc.
 - (b) A description of all other types of Local Government Units including Boards, Commissions, etc. giving some form of local municipal service and deriving their revenue or income from service charges or tax requisitions or grants from other Governments or a combination of any of such sources of income be adopted.
4. That the recommendation of the Special Committee on revenues, expenditures and balance sheets that statements of revenue and expenditure and balance sheets be drawn up for each individual local board and commission in every municipality be adopted and that provincial departments be requested to promote the recommended practice as they may desire.
5. That a continuing committee of three persons be appointed to supervise and pass upon any changes in forms proposed by any province. Such committee to consist of an official of the Dominion Bureau of Statistics and two provincial officers to be selected by the Dominion Statistician, all of whom have an expert knowledge of municipal accounting and administration.

FOURTH CONFERENCE - SEPTEMBER 25 TO 27, 1947

The Honourable J.J. McCann, Acting Minister of Trade and Commerce officially opened the conference.

The following is a list of the delegates:

Representing the **Provincial Governments:**

Prince Edward Island:

W.E. Massey, Deputy Provincial Treasurer
J.W. MacKinnon, Deputy Provincial Secretary.

Nova Scotia:

U.J. Harrington, Municipal Commissioner
G.A. Christie, Accountant, Department of Municipal Affairs.

New Brunswick:

L.T. Leeman, Commissioner of Municipal Affairs
R.S. Carpenter, Accountant, Department of Municipal Affairs.

Quebec:

G. Lemonde, Acting Director, Provincial Bureau of Statistics
Maurice Turgeon, Chief, Economic Research Division, Quebec Municipal Commission.

Ontario:

W.A. Orr, Acting Deputy Minister of Municipal Affairs
J.T.F. Orr, Municipal Statistician.

Manitoba:

A.D. McRae, Municipal Auditor.

Saskatchewan:

L. Jacobs, Director, Municipal Auditing and Accounting.

Alberta:

A.W. Morrison, Senior Municipal Inspector.

British Columbia:

B.C. Bracewell, Deputy Minister of Municipal Affairs.

Representing the **Department of Finance:**

J.H. Perry
W.E. Hunter
G.E. Lowe.

Representing the **Bank of Canada:**

J.E. Howes.

Representing the **Dominion Bureau of Statistics:**

Herbert Marshall, Dominion Statistician
James H. Lowther
G.A. Wagdin
J.A. Barclay
Miss B.I. McFadden
N. LeSelleur.

The following resolutions were approved by the Conference:

1. That this Conference register its opinion of the value in a complete recording of each and every parcel of land, including any improvements thereon, together with assessed valuations on the assessment roll of the municipality, whether or not such properties are liable for taxation or are taxed, and recommends that the provincial authorities take such steps as may be necessary to implement this procedure in their municipal assessment system.
2. That this Conference recommend that the provincial authorities make such changes in assessment procedure and recording as will disclose complete information relating to gross assessed values, assessed value taxable and assessed values taxed.
3. That in the opinion of this Conference, a useful purpose would be served by the calling of a Dominion-Provincial Conference on the subject of uniformity of assessment, and recommends that the Dominion Bureau of Statistics take the initiative in this matter; such a conference to be attended by provincial assessment authorities, representatives of provincial departments of municipal affairs and those directly associated with the problems of assessing.
4. That in the view of the interest of various authorities in, and of the many uses for, inter-censal estimates of population of municipalities, this conference recommends that those provinces which do not compile this information take steps to obtain such data.
5. That a continuing committee be appointed consisting of Messrs. Harrington, Orr, Lemonde, Jacobs and Bracewell, to give further study to the contents of the Memoranda¹ presented to this Conference and to meet with officials of the Bureau of Statistics and Bank of Canada to consolidate the views of the Provinces on the matters contained in the Memoranda and such other matters associated therewith as may be presented to the Committee by the Provinces;

And further, that the continuing Committee make such recommendations as may be agreed upon relating to the scope of the inquiry delegated to it, that such recommendations be submitted to each Province for study and that thereafter a report of the Committee be presented to another conference to be held in the spring of 1948.

¹ Refer to Memoranda of DBS on pages 61 and 62.

FIFTH CONFERENCE - SEPTEMBER 22 TO 24, 1948

Mr. George J. McIlraith, M.P., Parliamentary Assistant to the Minister of Trade and Commerce, officially opened the Conference.

The following delegates were present:

Representing the **Provincial Governments:**

Prince Edward Island:

W.E. Massey, Deputy Provincial Treasurer.

Nova Scotia:

U.J. Harrington, Municipal Commissioner.

New Brunswick:

L.T. Leeman, Commissioner of Municipal Affairs
R.S. Carpenter, Accountant, Department of Education, Federal and Municipal Relations.

Ontario:

W.A. Orr, Deputy Minister of Municipal Affairs
J.T.F. Orr, Supervisor of Audits, Department of Municipal Affairs
S.J. Kelly, Statistician, Department of Municipal Affairs.

Manitoba:

A.D. McRae, Municipal Auditor.

Saskatchewan:

L. Jacobs, Director, Municipal Auditing and Accounting.

Alberta:

A.W. Morrison, Senior Municipal Inspector.

British Columbia:

B.C. Bracewell, Deputy Minister of Municipal Affairs.

Representing the **Department of Finance:**

J.H. Perry
K. Carr.

Representing the **Bank of Canada:**

J.E. Howes.

Representing the **Dominion Bureau of Statistics:**

Herbert Marshall, Dominion Statistician
James H. Lowther
G.A. Wagdin
J.A. Barclay
Miss B.I. McFadden
N. LeSeellieur.

Resolutions adopted were:

1. That the recommendations included in the Report of the Continuing Committee, as amended by the Fifth Dominion-Provincial Conference on Municipal Statistics, be adopted;

And further, that this Conference request the Dominion Bureau of Statistics to:

publish a revised edition of the Manual of Instructions and Municipal Accounting Terminology, in accordance with these recommendations above mentioned, and to provide sufficient copies thereof for distribution to municipal and other authorities concerned, on the same basis as in the case of the first edition of these publications.

2. That this Conference record its opinion that it would be desirable to re-convene at periodic intervals for the purpose of exchanging views and discussing other problems relating to municipal finance and administration.

SIXTH CONFERENCE - OCTOBER 26 TO 28, 1953

Those present were:

Representing the **Provincial Governments:**

Newfoundland:

C.W. Powell, Deputy Minister of Municipal Affairs.

Nova Scotia:

U.J. Harrington, Municipal Commissioner

C.W. Smith, Accountant, Department of Municipal Affairs.

New Brunswick:

L.T. Leeman, Commissioner of Municipal Affairs

M.H. Brewer, Assistant to the Chief Superintendent of Education.

Quebec:

J.-C. McGee, Director, Quebec Bureau of Statistics

F. Choquette, Chief Auditor, Quebec Municipal Commission

L. Savard, Director, Finance and Population Division, Quebec Bureau of Statistics.

Ontario:

W.A. Orr, Deputy Minister of Municipal Affairs

F.G. Blake, Supervisor, Municipal Auditing and Accounting

S.J. Kelly, Statistician, Department of Municipal Affairs.

Manitoba:

E.M. McCullagh, Municipal Auditor.

Saskatchewan:

L. Jacobs, Director of Municipal Auditing and Accounting.

Alberta:

A.W. Morrison, Chief Municipal Inspector.

British Columbia:

B.C. Bracewell, Deputy Minister of Municipal Affairs

J.D. Baird, Assistant Supervisor of Municipalities.

Mr. C.G. Nunn of the Ontario Municipal Board also attended a number of the sessions.

Representing the **Canadian Institute of Chartered Accountants:**

L.N. Buzzell

Representing the **Department of Finance:**

A.S. Abel

D.H. Clark

F.R. Irwin

H.R. Balls

Representing the **Bank of Canada:**

J.E. Howes

A.W. Noble

Representing the **Dominion Bureau of Statistics:**

Herbert Marshall, Dominion Statistician

J.H. Lowther

J.A. Barclay

G.A. Wagdin

R.K. Scott

Miss B.I. McFadden.

Resolutions adopted were:

1. That therecommendations includes in the Report of the Continuing Committee, as amended by this Sixth Dominion-Provincial Conference on Municipal Statistics, be adopted.
2. That this Conference record that it holds the opinion that the provision of a standard object classification as a basis for detailing departmental or functional expenditures is desirable as a guide to municipal and other authorities concerned; that the Dominion Bureau of Statistics print a standard object classification in such form as shall have been approved by the Continuing Committee after all Provinces have had an opportunity between the present date and December 31st 1953, to study and comment on the draft for such a classification as is contained in the Report of the Continuing Committee of the Fifth Dominion-Provincial Conference on Municipal Statistics; and that this classification be in such form that it may be incorporated in the Manual of Instructions, if so desired by the provincial authorities, and be made available for distribution.
3. That the Canadian Institute of Chartered Accountants be requested to enlarge the Committee on Government Accounts to include representatives from the ten Provinces, whose duties will be to encourage the Provincial Institutes of Chartered Accountants to collaborate with the provincial authorities charged with implementing the objectives of the Dominion-Provincial Conferences on Municipal Statistics; and to collaborate in any other way possible in furthering the work of such conferences.
4. That this Conference record its opinion that it would be helpful to have the co-operation of the Certified Public Accountants Association and recommend that the Dominion Statistician invite the collaboration of this organization in the work of these conferences and to send a representative to future conferences on municipal statistics.
5. That the question of a proper valuation for fixed assets be submitted to the Committee on Governmental Accounting set up by the Canadian Institute of Chartered Accountants, and to any other recognized Canadian associations of

professional accountants who are prepared to conduct research in governmental accounting, for their consideration and recommendations, in order that at the next conference the problem may be reconsidered and the present method reaffirmed or amended.

6. That this Conference request that the Dominion Bureau of Statistics be authorized to give assistance to the provinces where required, toward the production by them of standardized reports on municipal statistics.
7. That the Dominion Bureau of Statistics ascertain from each province the system or method employed by its municipalities in making intercensal estimates of population and summarize the results for distribution to the provincial authorities concerned.
8. That the Dominion Bureau of Statistics be requested to obtain from each province an analysis of the grants, subsidies, shared-cost or other contributions, including assistance by loans, to municipalities, schools and other local authorities, and to prepare a summary of the information obtained in this regard for distribution, it being understood in this connection that the information desired should also include a description of the basis on which the grant or assistance may be calculated, as well as the basis of distribution, and further that this survey should not include indirect assistance to municipalities, such as through the assumption of services or responsibilities.
9. That the Dominion Bureau of Statistics be requested to develop a plan for organizing the collection of statistics on the operation of municipal superannuation and pension fund plans, and statistics relating to municipal bond sales and rates of interest, and in doing so refer the proposed questions or questionnaire forms that it might consider necessary in this regard to the Continuing Committee of the Conference for consideration and comment.
10. That this Conference recommend the setting up of a Continuing Committee to deal with various matters and that such Committee be comprised of six provincial representatives from this Conference with a representative from the Bank of Canada and the Dominion Bureau of Statistics

as ex-officio members, and further recommend for consideration that the following members in attendance at this Conference comprise the the Committee:

Newfoundland, C.W. Powell
Nova Scotia, U.J. Harrington
Quebec, J.-C. McGee
Ontario, F.G. Blake
Saskatchewan, L. Jacobs
British Columbia, J.D. Baird.

11. That this Conference recommend that the Continuing Committee of this Conference be given power to act with respect to matters specifically referred to it for consideration by the Conference unless otherwise directed and that the Dominion Bureau of Statistics be requested to implement the decisions of the Committee as may be necessary in relation to the work of the Conferences in municipal statistics:

AND THAT: the Committee and the Dominion Bureau of Statistics also deal similarly with other matters referred to it for consideration between now and the next conference on municipal statistics except where the question at issue is one involving changes of a major character or changes in principle in relation to previous conference recommendations, under which circumstances the Committee shall beforehand obtain approval of its power to act from the respective provincial authorities.

12. That this Conference record holding the opinion that everything possible should be done by it and by its members to encourage the various provincial governments to achieve the objective of basic uniformity in the provincial reports of municipal statistics. To this end the Conference recommends that the Proposed Standard Form of Report for Statistics of Municipal Finance be again reviewed, and revised as may be necessary, by a Continuing Committee of this Conference in relation to the determined requirements of the Dominion Bureau of Statistics for statistics of municipal finance and the requirements of provincial authorities in this connection, and that the Dominion Bureau of Statistics be requested to prepare a revised edition of the proposed format, if necessary, for reference to the provincial authorities concerned with a view to implementation at the earliest possible date.

SEVENTH CONFERENCE - SEPTEMBER 15 TO 18, 1958

The Seventh Dominion-Provincial Conference on Municipal Statistics was convened by the Department of Trade and Commerce, under the auspices of the Dominion Bureau of Statistics.

Those delegates present were:

Representing the **Provincial Governments:**

Newfoundland:

F.G. Balfour, Chief Inspector of Accounts, Department of Municipal Affairs and Supply
Peter Withers, Municipal Auditor, Department of Auditor General.

Nova Scotia:

U.J. Harrington, Municipal Commissioner.

New Brunswick:

Geo. W. White, Municipal Affairs Officer.

Quebec:

J.C. McGee, Director, Quebec Bureau of Statistics
Camille Blier, Quebec Municipal Commission.

Ontario:

F.G. Blake, Director, Municipal Auditing and Accounting
W.B. Bolton, Municipal Auditing and Accounting
S.J. Kelly, Statistician, Department of Municipal Affairs.

Manitoba:

Eric M. McCullagh, Provincial Municipal Auditor.

Saskatchewan:

L. Jacobs, Deputy Minister of Municipal Affairs
E.A. Walters, Director, Municipal Auditing, Accounting and Inspections.

Alberta:

A.W. Morrison, Deputy Minister of Municipal Affairs.

British Columbia:

J.D. Baird, Supervisor of Municipalities.

Representing the **Department of Finance:**

J.D. Mackintosh.

Representing the **Bank of Canada:**

D.L. McQueen.

Representing the **Dominion Bureau of Statistics:**

W.E. Duffett, Dominion Statistician
J.T. Marshall
G.A. Wagdin
J.A. Barclay
G.A. Richardson
R.K. Scott
F.L. Smith
Miss B.I. McFadden.

Mr. Louis Coderre, Deputy Minister of Trade and Commerce also attended a number of sessions.

Resolutions adopted were:

1. That this Seventh Dominion-Provincial Conference on Municipal Statistics recommend that each province provide annually to the Dominion Bureau of Statistics a description of provincial subsidies, grants-in-aid and shared cost contributions to municipalities and other forms of assistance to local government as well as by assistance by way of guarantees, with per annum amounts, and that the Dominion Bureau of Statistics publish this information annually, if publication is approved by the provinces.
2. That this Conference request that the Dominion Bureau of Statistics be authorized to continue to give assistance to the provinces, where requested, towards the production by them of standardized reports on municipal statistics.
3. That the Dominion Bureau of Statistics be requested to continue to develop a plan for organizing the collection of statistics, and in doing so, refer the questions or questionnaire forms proposed for this purpose to the Continuing of the Conference for consideration.
4. That this conference recommend the setting up of a continuing committee to deal with referred matters and that such committee be comprised of six provincial representatives, with a representative from the Bank of Canada and the Dominion Bureau of Statistics as ex-officio members and that the following comprise the committee:

Newfoundland, one representative
Nova Scotia, U.J. Harrington
Quebec, J.C. McGee
Ontario, F.G. Blake
Alberta, A.W. Morrison
British Columbia, J.D. Baird

and further, in the event that any member of the committee cannot act, that the Dominion Statistician consult with the provinces and appoint a replacement.
5. That this Conference request that a draft copy of the revised Manual be referred to the provinces for comment before printing.
6. That the Continuing Committee and the Dominion Bureau of Statistics deal with other matters referred to it between now and the next conference on municipal statistics except where the question at issue is one involving changes of a major character or changes in principle in relation to previous Conference recommendations, under which circumstances, the Committee first shall obtain approval of its power to act from the respective provincial authorities.
7. That this Conference reconfirm the tenet held by previous Conferences that everything possible should be done by it and by its members to encourage the various provincial govern-

ments to achieve the objective of basic uniformity in the provincial reports of municipal statistics. To this end the Conference recommends that the proposed Standard Form of Report for Statistics of Municipal Finance be again reviewed, and revised as may be necessary, by the Continuing Committee of this Conference, in relation to the requirements of the Dominion Bureau of Statistics for statistics of municipal finance and the requirements of provincial authorities, and further that the Dominion Bureau of Statistics be requested to prepare a revised edition of the proposed format, if necessary, for reference to the provincial authorities concerned with a view to implementation.

8. That this Conference refer to the Continuing Committee the study of a pro forma consolidated balance sheet and a pro forma combined balance sheet.
9. That this Conference refer to the Continuing Committee for study the matter of the desirability and usefulness of a combined revenue and expenditure statement.
10. That this Conference recommend that other very large fields of local government activity such as local boards of education, local improvement districts, et cetera, be requested to report financial statistics commensurate with municipal fields of local government.

PART II

QUEEN'S UNIVERSITY CONFERENCE

1966

REPORT
on
A CONFERENCE
on
MUNICIPAL FINANCE STATISTICS
held at
QUEEN'S UNIVERSITY AT KINGSTON, ONTARIO
May 2 and 3, 1966

Convened under the Sponsorship of
Institute of Local Government, Queen's University
Canadian Tax Foundation
Canadian Council on Urban and Regional Research
Dominion Bureau of Statistics

A CONFERENCE ON MUNICIPAL FINANCE STATISTICS
held at Queen's University at Kingston

Introduction

The following is a summary of the proceedings of a conference on municipal statistics held at Queen's University at Kingston, Ontario, on May 2nd and 3rd, 1966.

Purpose

The Conference was called primarily to consider the financial activities of municipal governments which are exerting a growing influence on the Nation's economy. Recognizing the importance of up-to-date information concerning this phenomenon, the Conference sponsors sought to create a suitable environment in which to identify and measure today's statistical requirements.

Participants

Speakers and discussants were:

- K. Grant Crawford, Director,
Institute of Local Government,
Queen's University at Kingston, Ontario.
- Ronald Robertson, Director,
Canadian Tax Foundation,
Toronto, Ontario.
- Eric Beecroft, Canadian Council on Urban and
Regional Research,
London, Ontario.
- Walter E. Duffett, Dominion Statistician,
Dominion Bureau of Statistics,
Ottawa, Ontario.
- Peter M. Cornell,
Economic Council of Canada,
Ottawa, Ontario.
- Arthur T. Wakabayashi, Deputy Provincial Treasurer,
Regina, Saskatchewan.
- Jacques Parizeau, Economic and Financial Advisor
to the Quebec Cabinet,
Dept. of Federal-Provincial Affairs,
Province of Quebec,
Quebec, Que.
- H. Ian Macdonald, Chief Economist,
Province of Ontario,
Toronto, Ontario.
- Thomas J. Plunkett, Municipal Affairs and Public
Administration Consultant,
Thos. J. Plunkett and Associates,
Montreal, Quebec.
- Eric Hardy, Municipal Consultant,
Eric Hardy Consulting Limited,
Toronto, Ontario.
- Simon A. Goldberg, Assistant Dominion Statistician,
Dominion Bureau of Statistics,
Ottawa, Ontario.

Elsworth F. Bole, Formerly Executive Director,
Metropolitan Corporation of Greater Winnipeg,
Winnipeg, Manitoba.

I. Frank Markson, Municipal Treasurer,
City of Oshawa,
Oshawa, Ontario.

James A. Black, Manager of the Municipal
Department,
Wood, Gundy and Company Limited,
Toronto, Ontario.

Ronald M. Burns, Director,
Intergovernmental Institute,
Queen's University at Kingston, Ontario.

Joseph S. Eakin, Commissioner of Finance and
Treasurer,
City of Toronto, Ontario.

Thomas H. McLeod, Dean of Arts and Science,
University of Saskatchewan.

W. Barry Coutts,
School of Business,
University of Toronto,
Toronto, Ontario.

George A. Wagdin, Director,
Governments and Transportation Division,
Dominion Bureau of Statistics,
Ottawa, Ontario.

Distinguished guests included members of federal and provincial departments, municipal finance officers from twenty-six municipalities, representatives from ten universities and other delegates representing an important cross-section of social, economic and financial statistical users.

Mr. K. Grant Crawford, Director of the Institute of Local Government, Queen's University at Kingston, Ontario, presided.

Mr. Walter E. Duffett, Dominion Statistician, welcomed those who attended the conference. The following is a summary of Mr. Duffett's address.

In recent years, there has been an increasing awareness of the changing and more sophisticated needs of users of government statistics. Significantly, the demand for data has come from the growing force of experts in many diverse yet related fields of endeavour. The existence and activities of the bodies sponsoring this conference, as well as the varied and distinguished group of people participating, gives testimony to the interest and recognized importance of municipal finance statistics.

Government statistics, and, in particular, municipal statistics are part of a wide-ranging and complicated statistical system which would probably be better described as an information system

because that is the objective and purpose—to provide information for the making of good decisions in all fields; therefore, that system must provide information in a great variety of ways to meet a great variety of needs.

In recent years too, the concern with urban economic problems in Canada has undergone a significant change and, as a result, a different set of needs has arisen. In this area of study, municipal statistics have come to mean not only finance statistics but also a wide variety of social and economic statistics about small areas in the country. The real need in municipal finance statistics is to improve and unify basic data which can be adapted to the needs of users and supplemented as required.

The necessity for accurate and comparable statistics relating to public finance was clearly enunciated by the federal-provincial conference of Premiers held in 1933. The conference recommended "that the Dominion Statistician should communicate with the treasurers and/or statisticians of the several provinces with a view to securing uniformly classified statistical information on **provincial finance**". Since that time, a series of similar conferences was held in 1943, 1945, 1947, 1952 and 1953, each serving to improve and unify essential basic data.

The first Dominion-Provincial Conference on **municipal statistics** was held in July 1937, prompted by the 1933 Premiers' Conference, mentioned above, and the objective was uniform financial reporting, the development of which depended on uniform nomenclature, uniform accounting systems and uniform fiscal periods. Out of a subsequent Conference held in 1940, the need was recognized for a manual of instructions to be applied on a national scale to assist municipal treasurers to develop minimum uniformity in their accounting systems. Subsequent conferences on municipal statistics produced further refinements which resulted in the publication of two revisions of the Municipal Finance Reporting Manual with the objective of improved statistical reporting.

Many causes lay behind all of these developments but the major factor was the series of federal-provincial conferences on fiscal arrangements which called for progressively better and more elaborate factual background. The provinces, in their relations with municipalities, have needed better information and have supported the program of statistical development. It is expected that the two senior levels of government, because of their continuing, close fiscal relations, will require information on various trends in municipalities as a basis for determining the location and need for financial and other assistance. The continual increases in the type and quality of municipal services call for better records for internal decision-making.

It is because of this growing importance and complexity of the decision-making processes that the need for convening the Conference on Municipal

Statistics at Queen's University became apparent. Conference discussions are planned to centre around identifying the needs of users and appraising present programs and it is hoped that the resultant dialogue will serve to convey to municipal finance officers their important role and stake in the benefits of the final statistical product.

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Other preliminary observations of the sponsors were given by Mr. Ronald Robertson, Director of the Canadian Tax Foundation and Mr. Eric Beecroft of the Canadian Council on Urban and Regional Research.

Mr. Peter M. Cornell of the Economic Council of Canada spoke on the subject "Municipal Financial Statistics for Federal-Provincial Fiscal Relations and Fiscal Policy". The discussant on this topic was Mr. Arthur T. Wakabayashi, Deputy Provincial Treasurer of the Province of Saskatchewan.

Mr. Jacques Parizeau, Economic and Financial Advisor to the Province of Quebec Cabinet addressed the Conference on "The Interest of Provincial Economists in Municipal Finance Statistics". Mr. H. Ian Macdonald, Chief Economist of the Province of Ontario was the discussant of Mr. Parizeau's paper.

The following are some of the points, mainly national in scope, that emerged from those discussions:

From Federal-Provincial-Municipal Fiscal Relations Point-of-view

1. More accurate and complete annual reporting of capital spending by municipalities would be useful for both federal-provincial fiscal relations and fiscal policy.
2. For effective, long-range policy planning, it would be helpful to have access to regular, consolidated totals by province of municipal capital budgets.
3. Presently available figures on capital expenditures of municipal utilities and other local government enterprises are particularly weak despite the fact that they represent a very substantial amount.
4. Municipal data in most provinces are not sufficient to distinguish between such things as sewer expenditures (Health and Sanitation) and waterworks (Transportation and Public Works) or between the various types of expenditure on municipal winter works. This makes it difficult to obtain complete comparability of the various major expenditure functions among provinces.
5. Available data do not provide complete coverage of local government activities. Information is required, for example, on local government districts, school districts, and municipal utilities and other enterprises as noted above.

6. Statistical publications by the Dominion Bureau of Statistics, such as "Hospital Statistics", "Survey of Education", and "Road and Street Mileage Expenditures" provide a great deal of potentially useful data for analysis and projection of government expenditures including material which is useful for specifying the movements in some of the underlying variables; however it would be helpful if these publications could be tied in more closely with the government finance series, perhaps by the use of reconciliation tables.
7. In making projections, it is highly desirable to remove the effects of price changes from the base period data so that quantity of service can be specified. The price indexes available for the government sector are much too highly aggregative to permit this at present. It would be very useful to have price indexes for each major expenditure function.
8. While data are needed on revenue and on both current and capital expenditure, there is a great deal of data on debt and non-budgetary or extra-budgetary transactions which may be just as important. For example, pension fund transactions are required for estimates of revenue and expenditure on the national accounts basis although they do not enter the financial management series. Moreover, while they do not effect fiscal position, changes in financial assets and liabilities are required to set up financial transactions or flow-of-funds accounts.
9. In the reporting of revenue and ordinary or capital expenditure transactions, a more complete specification of the type of transaction is necessary for national accounts and financial flows purposes. Figures on such things as purchases of land or existing capital assets are required for accurate recasting.

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In addition to the important national aspects of improved municipal statistics, opinions were voiced about the problems inherent in achieving effective inter-government liaison to co-ordinate fiscal and economic policy from a PROVINCIAL point of view. The following are some notes on these commentaries:

The Point-of-view of a Provincial Economist

In provincial economics, the importance of the municipal role in the trinity of federal, provincial and municipal levels of government is fully recognized and, in all likelihood, the character of provincial-municipal relations will have more compelling importance in the future than federal-provincial relations have in the past. Factors such as the growth of urban areas, regional government, changes in the municipal structure, the desirability of common standards as well as the politically sensitive question of which 'delegated powers should be rescinded and returned to the provinces, all suggest the imminence of hard fighting on the provincial-municipal ground.

In the broad areas of financial and economic policies, there are two distinct aspects in which the municipal elements are exceedingly important. Financially, the need for equalization arrangements at the federal-provincial level has long been recognized but very little thinking has gone into the equally important equalization needs on the municipal front. Economically, the provinces and their municipalities now account for eighty per cent of public investment. The significance of this for the organization of economic and fiscal policies in such a federal state as Canada is far from developed. In this connection, there has been a lot of discussion recently about the extent to which the provinces and municipalities are exacerbating the efforts of the federal government to employ countercyclical policies; however, co-ordination must take place if the interests of the national economy are to be served.

The provincial economist requires data of municipalities in a particular form which is best described as a **total information system**. Such a system is necessary to provide good policy advice on regional and overall planning and there are six reasons to support this view.

Firstly, the position and structure of the municipality in its relative position in the provincial economy must be assessed. This is an organic process which gives a composite and extensive organizational picture of the structure of the whole provincial economy.

The second use of the total information system is to correct imbalances in the provincial economy through measures designed to offset shifts in the economy. This gives balance within a given structure.

Thirdly, the economist needs statistics to assess the importance of the government's role in the local economy through time. This directional process can identify trends of municipal behaviour and helps to determine remedial provincial action in combination with trends.

Fourthly, a total information system becomes a recognitional process by presenting the data to identify growing or declining municipalities so that sophisticated government guidance or assistance can be employed for regional purposes.

Fifthly, for orderly regional development work, the economist must be able to identify potential growth polls and regional administrative centres. This anticipation process must be the basis of orderly regional development work.

Finally, provincial economists will want to calculate the "balance of payments" of individual municipalities (to borrow a term from the international sphere) in terms of total provincial tables of inter-industry flow of goods and services more commonly known as input-output tables.

In meeting the need for a total provincial input-output table, three factors or qualifications should be stressed. The first is that the potential of the municipal material in a total information system is much greater than the individual parts in meeting the needs of the provincial economist, but data about individual parts are necessary to frame sensible regional policies.

Secondly, there is great merit in municipal expenditures being classified on the Dominion Bureau of Statistics' Standard Commodity Classification basis and the use of data, so classified, is the basic prerequisite to the type of input-output analysis being planned.

The third point is the need for the widest basis of compatibility and comparability. To achieve this end, the initial task must be to conduct a study, (a) to determine the type of classification required and (b) to establish proper questionnaire forms which would, in turn, yield the component building blocks of statistical data. This is an area in which intensive co-operation is required between DBS and the provincial authorities.

Provincial economists have great need for social security data, particularly that arising out of the Canada Pension Plan, as a basis of income and employment and as a basis of occupational and mobility information with respect to municipal or regional areas.

Another equally important need is for complete education finance statistics which, at the present, are not obtainable. Nor is information available on total capital expenditures from all sources by municipality. In the same way it is almost impossible to get a complete picture on the financial operations of all agencies in the municipal sector in a given municipality.

A functional breakdown of debenture debt charges recoverable would be most useful but again it is not available. Similarly, the present classification used in land, building and business assessing practices should be redefined and redeveloped using electronic data processing techniques for good analytical and administrative purposes.

The ultimate purposes for developing all of these statistics is to make good policy advice available at the provincial level. In the past, municipal statistics have been oriented to historical record-keeping rather than to policy-oriented documents which is what is now needed. To develop policy-oriented data, it is of the utmost importance to make data available more quickly and this in turn requires careful anticipation of the types of data required to achieve this end.

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Other Provincial Observations

Conference delegates also made the point that there are real obstacles in the way of achieving the kind of progress envisaged by the provincial economist and some of the difficulties are inherent in the existing structures of government. These observations are summarized as follows:

1. The main reasons for the existence of difficulties in co-ordinating fiscal and economic policies in a federated society are:
 - (a) each province has different needs, goals and emphasis;
 - (b) policies are based on those of the political party in power which policies are sometimes in conflict with the real needs of the people.
2. Among provinces, there are difficulties in obtaining agreement on identifying the level and quality of service programs to be carried out by their municipalities.
3. Capital spending by municipal governments could cancel the effects of fiscal policies of the federal government; how to co-ordinate the policies of all levels of jurisdiction poses constitutional problems.
4. It is difficult to institute effective economic and integrated planning even on a regional basis without political union.
5. Provinces have control over local government but real power is limited because of political pressures at the local level.
6. In spite of the obvious need to re-organize local government, the development of improved machinery for intergovernmental liaison will not be achieved unless those who can make these decisions are willing to take the responsibility and the political risks involved.

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Mr. Elswood F. Bole, formerly Executive Director of the Metropolitan Corporation of Greater Winnipeg, Manitoba, addressed the conference on "The Development and Use of Program and Performance Budgeting for Municipalities". Mr. Bole outlined the background and value of this technique which is relatively new to the municipal scene. He noted that the two most serious deficiencies hampering wider acceptance and application of performance budgeting by municipal administrators are the lack of long-term planning, and statistical information for comparative studies. The speaker called for new systems of classifications and reporting on municipal services in terms of standard units of performance as well as uniformly defined costs and revenues. In addition, he advocated improvements in reporting of economic and demographic data pertaining to urban areas stating that unless these deficiencies are overcome, municipal administrators are powerless to measure quantitatively or qualitatively the costs of urban services which municipalities are called upon to provide.

Mr. I. Frank Markson, Treasurer of the City of Oshawa, acted in the role of discussant of Mr. Bole's presentation.

Mr. Markson concurred with Mr. Bole's remarks noting that some real yet unresolved problems concerning municipal finance had been exposed by Mr. Bole's address. Mr. Markson emphasized that municipal budgets are political documents reflecting local attitudes, long-standing procedures and management structures. The lack of sufficiently-tested guidelines for achieving more economic operations, through the use of the budget, he noted, will continue to hinder budget reform until supplementary data to support recommendations are made available to municipalities.

The discussions on program and performance budgeting centred mainly around the municipality as a potential user of statistics for internal analyses. As a supplier of data, the following is a summary of some of the problems faced by the municipal finance officer in supplying and reporting data.

From the Municipal Treasurer's Point-of-view

Local government is involved with a wide variety of functions—public health, education, police and fire protection, waste disposal, streets, highways, hydro, water supply, parks, cemeteries, recreation, public libraries, urban redevelopment, public welfare, gaols, air and water pollution, emergency measures, hospitals, ambulance service, homes for the aged and other services too numerous to list. To report intelligently on such a maze of services and activities automatically produces a set of involved statistics. The reason is simply that the subject is complex.

These are all very complicated activities in themselves, and the whole exercise of reporting is made difficult by the diversity both of the interested groups to whom reports must be made, and the formats which are considered essential to meet sectional interests.

Most municipalities have centralized accounting systems but the main problem of the systems is that most seem unable to meet the requirements of the local administration as well as those of other agencies to whom municipalities must report, without time-consuming adjustments. The municipal treasurer is required to report to taxpayers, elected and appointed officials, provincial departments of municipal affairs, other provincial departments, federal agencies, banks and investors, each of whom differ in their requirements.

One of the main difficulties facing the civic administrator is having to "hack through" administrative procedures imposed by senior levels of government. In some instances, it is necessary to keep special or supplementary records prescribed by the senior government before (a) permission is given to undertake plans and (b) the municipality can qualify for subsidies on approved undertakings.

Another inherent difficulty in civic administration is in the area of fiscal planning, both long and short term. Planning is influenced by forces not wholly within the power of the municipality to direct or control. For example, at the federal level, the result of immigration policies has required alterations in plans of local governments due to population changes. At the provincial level, conditions influenced by legislative requirements or imposed as prerequisites to obtaining grants, frequently mean altering course and changing plans. At the local level, developments in neighboring municipalities have a significant impact on local action causing unlooked for pressures and demands.

Statistics are needed too at the local level to assist in making decisions; the budget embodies these decisions and directly influences the framework of the accounting system from which expenditure control must function. Because of the traditional organizational structure of municipal administration, there is an inbred desire to control expenditures by department or committee. Those who defend this traditional, departmental budgeting say that they are not against improvement but argue that budget-making is essentially a political process not subject to outside control or prescription. Usually the defenders, and they are both elected and appointed, are also suspicious or skeptical about new theories on budget reform that promote changes in the budget-making processes claiming that change at the local level is unnecessary and irrational and will upset the long-established guidelines for comparisons and continuity; however until municipalities adopt program budgeting, the matter of reporting will continue to be a vexing task. In this connection too, many municipal treasurers are prevented from instituting needed reform because of this entrenched tradition of making decisions in isolation.

The application of the philosophy of "fund accounting" which is a method of ensuring that monies raised for a particular purpose are spent only for that purpose, imposes severe accounting restrictions on municipal accounting systems. This serves to complicate municipal finance reporting and limits room to manoeuvre and experiment with new methods and systems.

The lack of sufficiently-tested guidelines in terms of achieving economy of operation and comparability seems to create obstacles to municipal budget reform. Cost benefit analysis, comparability and interrelatedness may be used by municipalities to measure economic operations, but there is the question of how effective these measurements can be in changing the approach to budget-making especially if it is recognized that the most influential factor on the size and content of the current budget is last year's budget. In other words, if direction is lacking in this regard, can it be otherwise given and by whom?

It is doubtful if municipal treasurers, by themselves, can develop better accounting and reporting methods for a number of reasons. In Canada, there

is a shortage of qualified municipal administrators. Even the most able of these would be quick to point out that individually, municipal treasurers tend to be parochial in the scope of their experience and would have difficulty in coping with problems that have provincial and national connotations. They would also point out that the pressures for in-depth statistics originate largely outside the municipality and further, that some of the most serious obstacles in the way of reform at the local level are those that are imposed by senior levels of government.

It would appear that if an adequate municipal reporting system is to be developed to meet national and provincial needs, a consortium of federal statistical users, provincial departments and municipal administrators must be formed to inquire into the problems and explore the possibilities of resolving the difficulties.

It would also appear that the Queen's Conference was, for some municipal officers, the first time that they were made aware of the scope and significance of local government transactions in the comprehensive framework of the national economy and of how interrelated and interdependent all three levels of government have become. The Conference brought out the point that planning at the local level must be integrated with that of the senior levels of government and that this planning goes beyond the current year and to-day's money market.

Similar conferences in the future could sharpen this appreciation for integration and provide the climate for co-operation needed to achieve the development of a system which will best serve the reporting needs of the municipality and all other important users of municipal statistics.

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The subject "The Interest of Private Consultants in Municipal Finance Statistics" was interpreted for the Conference by Mr. Thomas J. Plunkett, Municipal Affairs and Public Administration Consultant. Mr. Plunkett noted that one of the main areas of concern to independent analysts is in obtaining adequate data to relate tax burdens to community income levels. The consultant, in determining the financial ramifications of a particular urban expansion, or, in examining the financial implications of a proposed boundary change, is often hampered by a lack of useful statistics. Comparative expenditure data is needed as is assessment and taxation information to determine yield from various sources of assessment. Mr. Plunkett also referred to the growing necessity for personnel and payroll statistics to meet the needs of collective bargaining in municipal government.

Mr. Eric Hardy of the firm Eric Hardy Consulting Limited acted as discussant. Mr. Hardy stated that he was in accord with Mr. Plunkett's remarks and noted that the central problem in the work of the

municipal consultant is the lack of uniformity in the treatment of municipal finance reporting and he recommended that a new and revised reporting manual be issued in order to strengthen the content of financial statistics.

"The Role of the Dominion Bureau of Statistics in the Development of Co-ordinated National Economic Series with special references to Municipal Finance Statistics" was reviewed by Mr. Simon A. Goldberg, Assistant Dominion Statistician. The discussant on Mr. Goldberg's remarks was Mr. Thomas H. McLeod, Dean of Arts and Science of the University of Saskatchewan.

The following is a resumé of Mr. Goldberg's address:

From the Point-of-view of the Dominion Bureau of Statistics

The Dominion Bureau of Statistics is both a user and a producer of statistics. The raw material used is information secured from the accounts of persons, business, and federal, provincial and municipal governments. DBS transforms the collected information into a large variety of detailed and analytical aggregations which requires great skill and judgement. The scope and reliability of the resultant data are determined by the scope and quality of the basic information. For this reason, DBS is vitally interested that the primary accounting records contain relevant, accurate and plentiful information.

The production of useful statistics is contingent on certain prerequisites, namely:

1. Respondents must keep appropriate records to produce information accurately.
2. The information must be additive to permit meaningful aggregation.
3. The information must have stability to facilitate historical analysis.
4. The information must be timely to facilitate current analysis of rapidly changing events.

In the business sector of the economy, these prerequisites exist because business must keep regular accounts for self-preservation, self-analysis and for income tax purposes. In the case of governments, and in particular municipalities, some of these prerequisites are missing. The influence of income taxation is missing and the legal requirements have spawned somewhat unwieldy, rigid accounting systems. The unifying influence and penetration of the accounting profession has been much less direct.

This situation renders the task of developing meaningful and comparable municipal statistics more difficult and has provided the challenge gradually being met through the collaboration of DBS with government officials. There has been considerable

progress in developing a set of consolidated municipal revenue and expenditure and balance sheet information in a continuing series of publications.

Municipal finance statistics are based mainly on the published financial reports of the provincial departments of municipal affairs and the municipalities; however these reports are late in being produced and a stratified sample survey of municipalities, for the past ten years, has enabled DBS to publish annually, municipal finance statistics in three stages as follows:

- (a) "estimates" based on a sample of municipal budgets for the year ahead;
- (b) "preliminary figures" based on a sample of actual revenue and expenditures for the year just past;
- (c) "final figures" based on the actual published reports of provincial departments of municipal affairs and municipalities.

To meet the demand for still more current data on municipal finance, in 1961, a regular quarterly survey of municipal revenue and expenditure was undertaken. In 1965 a monthly survey of large municipalities was introduced to procure data on salaries and employment. In the near future, a quarterly survey of financial transactions of schools operated by local authority will be undertaken and plans are being formulated for surveying certain other local institutions.

There are some deficiencies in the DBS regular program of municipal finance statistics; stated briefly, they are:

1. Timeliness: There is a need for more rapid reporting to facilitate earlier publication.
2. Jurisdiction: Coverage of municipal finance statistics excludes schools, utilities, hospitals and other institutions at the local level.
3. Unavailability: Much greater and more varied detail, than is presently available, would be required to satisfy all important needs.
4. Geographical detail: At present, it is not possible to produce adequate, regional statistics which municipalities could use for comparison purposes.

The basic difficulty is the absence of uniform accounting practices and finance reporting methods by municipalities. As a consequence, estimates have to be made and their accuracy is less than comforting.

Some progress in regard to agreement on a variety of accounting conventions have been made between officials of the departments of municipal affairs and DBS, and these are embodied in the "Municipal Finance Reporting Manual" which has exerted a beneficial influence; however these conventions have not had acceptance by all departments

of municipal affairs. The current edition of the Manual was based on the results of the 1958 Dominion-Provincial Conference and in view of the rapidly changing times, requires some up-dating.

It is noteworthy that standardization of concepts, classification and definitions to produce meaningful and comparable statistics is a world-wide movement. The Statistical Commission of the United Nations is considered to be one of the most effective, functional groups of the United Nations. At the present time, international experts are studying the integration of a whole range of economic statistics including government finance.

The outgrowth of increasing programs of welfare and social security measures has been a tendency to accept planning ahead as an essential approach to efficient management and for governments to place growing emphasis on regional problems and regional disparities in economic growth. A concomitant of this process in Canada has been the increasing importance of provincial and municipal governments in the working of the economy and its parts.

Three economic ideas representing the pillars of the system of national accounts may be summarized briefly:

1. The total output of the economy—its gross national product—should consist of goods and services that are produced for selling to others on the market with few exceptions.
2. A line should be drawn between output that is consumed in a particular period and output that is not consumed. The latter is left over for subsequent periods and is said to be saved or invested. The distinction between consumption and investment is of central importance. Investment in durable fixed assets or capital formation,¹ adds to productive potential. Further, such expenditures are postponable. They must therefore be separated from current expenditures for studies of long-term economic growth and short-term economic changes.
3. There is a distinction between income which is earned in the course of producing goods and services, on the one hand, and receipts or revenue in exchange for which no specific service is rendered, on the other. The latter called transfer payments are illustrated by payments of family allowances and grants and represent, in effect, a redistribution of income.

Turning to the accounting presentation, the economy is divided into four (more or less) homogeneous parts or sectors called: persons, governments, business and the rest of the world. The transactions in these accounts are constructed

¹ Changes in inventory are also included in capital formation.

taking care to maintain the four economic distinctions and are consolidated into an income and expenditure account for the economy as a whole—the so-called gross national product. On the income side, the accounts show:

- (a) salaries and wages;
- (b) corporation profits and other investment income;
- (c) the net of unincorporated business;
- (d) depreciation and similar charges;
- (e) direct taxes less subsidies.

On the expenditure side, it shows:

- (a) personal expenditure on consumer goods and services;
- (b) government expenditure on goods and services;
- (c) investment in fixed capital goods and inventories;
- (d) exports less imports.

In the government sector, income (or revenue) is classified by source while expenditures are classified by economic object of expenditure: goods and services, transfer payments to persons, interest on public debt, subsidies and transfers to other governments.

The sectors could also be subdivided and in the government sector, a logical subdivision would be between federal, on the one hand, and a consolidation of provincial and municipal governments on the other. Such a consolidation is called for partly because of the wide variation from one province to another in the range of responsibilities delegated to municipal governments, and partly because of insufficient or late municipal statistics. The municipal subsector of the government sector includes departments, special funds, schools operated by local authority and other institutions and trust funds. Also included are certain extra-budgetary accounts such as pension and social insurance funds, workmen's compensation boards and several other items. Government enterprises (CNR) are excluded from the government sector.

Classification of municipal activities, within the framework of the national accounts makes it possible to relate activities of one level of government to another. For example, in 1965, the amount spent on goods and services directly by municipal governments amounted to \$4.1 billion, compared to \$2.2 billion by the provincial governments and \$3.3 billion by the federal government. It is recognized that the full potential for economic analysis of such a system of accounts could only be realized with the publication of quarterly—and for some transactions monthly—data.

The national income and expenditure accounts are now widely accepted as indispensable in studies of the current and emerging economic situation and for formulating appropriate fiscal and other policies in the light of such studies. But data must be timely and it is of utmost importance to obtain more up-to-date and reliable municipal statistics.

It is in the interests of suppliers of data to provide DBS with timely and reliable statistics because they might suffer if decisions are based on misleading or tardy information. To illustrate, since governments use statistics in determining monetary and fiscal policies, the statistics have their impact on municipalities as well as others in matter of grants, taxes, shared costs and various incentive programs affecting the smallest area of government.

The income and expenditure accounts and their extensions are based on the whole structure of economic statistics developed from many statistical series, almost all of them useful in their own right. These data are again utilized in the erection of the system of national accounts thereby doubling the value of the available pool of economic intelligence.

The gross national product, or total output, is the pivot of the income and expenditure accounts and developmental work is progressing on constructing tables on inter-industry relations called input-output tables which are designed to show, among other things, the sales of individual industries to all other industries and the consumption by individual industries of goods and services produced in other industries. These input-output tables would assist in measuring, among other things, the impact of municipal government purchases on particular sections of the economy and represent a vast undertaking to develop. They also involve the consistent application of standard classification systems of industries and commodities.

A second extension of the income and expenditure accounts now being developed is the financial flow accounts. As a working principle, it may suffice to note that financial statistics cover information derived from income statements and balance sheets. The financial flows accounts are designed to show, other things, changes in debt and other paper claims outstanding and changes in ownership by type of financial claim—who is borrowing, who is lending and the financial instruments through which this borrowing and lending takes place. They demonstrate the essential interdependence of economic events.

These new programs have been set up within the framework of a quarterly set of financial accounts because such a framework facilitates the development of consistent and meaningful statistics. It is expected that all those having important dealings with financial markets—provincial and municipal officials, financial institutions, controllers of large non-financial corporations—will have a lively interest in these statistics. Municipal governments which, in 1964, had \$5 billion of funded debt outstanding obviously have a very great interest in effective operation of the financial system and the availability of financial statistics is bound to exert an orderly influence.

In a society that is becoming more and more information oriented, the concept of accountability has to be widened to embrace all sectors of the

economy and this is now being recognized by municipal governments who have pledged their co-operation. For some of the larger municipalities, arrangements have been worked out whereby regular trial balances supplemented by analyses of cash, short-term investments and long-term debt, provide the needed data. The multiplicity of autonomous and semi-autonomous bodies which operate under the general jurisdiction of local government, many of which are supported by two or more municipalities, coupled with the complexities imposed by fund accounting, create many technical problems which make the design of a survey both frustrating and intriguing.

The concept of accountability must be broadened to satisfy the needs of a modern economy; this carries with it the concept of responsibility of statistical agencies to co-ordinate their efforts to achieve standardized definitions and classifications of basic budget accounts thereby minimizing the burden of response and reducing duplication.

The increasing dependence on consistent and meaningful statistics on a local level, as well as on provincial and national levels, should be greatly facilitated by the evolving computer technology but the consistent application of standard definitional, classification and coding schemes is an essential prerequisite for taking full advantage of computer technology. Close collaboration and co-ordination of effort of federal, provincial and municipal officials must take place to standardize machine coding and classifications in order to meet the demand for better and more timely data. It is inevitable that the new and growing social and economic programs together with the potentialities of the computer technology will create major new demands for data.

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The topic of "The Interest of Investment Dealers in Uniform Municipal Financial Statistics" was examined by Mr. James A. Black, Head of the Municipal Department of Wood, Gundy and Company Limited, Toronto, Ontario. Some of the points made by Mr. Black were as follows:

From the Investment Dealers Association Point-of-view

As a user of statistics, the investment industry would welcome and make use of up-to-date, nationally uniform compilations of municipal statistics, both financial and economic. The ability of the industry to present complete statistical information on the financial affairs of municipalities is a main criterion by which potential purchasers decide whether or not to make an investment. The degree to which this information is provided determines the extent to which municipal debentures are broadly sold. Selling is often based on confidence and the confidence of the prospective purchaser is assured when he is presented with accurate evidence of good fiscal management and full financial disclosure.

In marketing debentures, most municipalities call for tenders and usually provide a brief pre-tender resumé of the municipality's financial and economic position. This enables the industry to make the necessary evaluations for tender purposes. The successful tenderer proceeds to draft the prospectus as quickly as possible in order that selling may commence immediately because an unforeseen market decline can change a seemingly profitable issue into a loss.

In day-to-day operations, the investment industry is finding that the presentation of complete statistical information on the affairs of a municipality is becoming a more and more complicated and time-consuming exercise. Sometimes even strenuous efforts fail to untangle and extract meaningful data from the annual reports.

Some of the industry's problems in this respect are briefly:

1. Lack of uniformity in the presentation of information from province to province causes many difficulties.
2. Reporting standards are not suited to to-day's needs.
3. Municipalities are no longer simple administrative units but have become complex and multi-structured as autonomous school districts, water and sewer authorities and hospital districts have been superimposed on them. Some of these autonomous bodies are not co-terminous with any one municipality nor with any one other independent authority thus complicating analyses of financial interrelationship.
4. Municipal participation in shared cost programs with senior levels of government has further increased the complexities of reporting financial data.
5. The welter of subsidies, grants and shared-cost arrangements with hard-to-understand formulae makes it difficult to measure precisely financial resources and to assess the implications.
6. The lack of published, uniform data on municipal financial transactions works the greatest hardship on municipalities because where debt appears to be high judging from sparse statistics, the industry will decline to bid on debenture issues unless the financial situation can be clarified.
7. There is a critical need for greater dependence on long-term capital budgets as tools to achieve long-term economic goals. Such documents would be invaluable in presenting a clear vision of the financial position of each municipality not only in the matter of marketing debentures but in obtaining comparative data for performance.

The industry must examine three main municipal areas — assessment, debenture debt and taxation. From these three elements, a useful picture of the municipality's financial condition can be established.

Other financial observations include the examination of revenues and expenditures to ensure that no deficits are recurring over a period of time. Large bank loans are questioned. The amount of current revenue for capital construction is noted particularly in high debt situations and in residential communities.

Non-financial statistics play an important part in evaluating the credit of a municipality. Some of these are:

- Diversification and type of industry
- Size of trading region
- Geographical location
- Population distribution
- Water supply
- Hydro and gas utilities
- Accessibility to road, rail, air and sea transportation
- Presence of institutions (hospitals, universities, government facilities, etc.)
- Recreation facilities
- Average family incomes
- Soil conditions and crop history
- Personal disposable incomes
- Retail sales compared to national average
- Degree of owner-occupied dwellings

The present Dominion Bureau of Statistics series of publications on municipal financial statistics are not used by the investment industry in day-to-day analyses of municipalities because they do not meet the requirements nor are they sufficiently timely.

Uniform, up-to-date reporting by municipalities is essential for sound management at all three levels of government and will show the way to clear long-term goals so necessary in to-day's complex economy.

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Mr. Joseph S. Eakin, Commissioner of Finance and Treasurer of the City of Toronto led the discussion on Mr. Black's address.

"The Interest of the Academician" was described to the Conference by Mr. Ronald M. Burns, Director of the Intergovernmental Institute of Queen's University at Kingston, Ontario. The following is a précis of Mr. Burns's comments.

From the Academician's Point-of-view

The academic requirements, whether for teaching or research, are fundamentally little different from those of other users although the emphasis will not always be the same. Essentially, all users of municipal statistics are looking for means of understanding what is going on in a very important part of government in the rapidly changing scene of to-day.

Basically what is needed for **teaching purposes** are statistics that can be used to illustrate generally the powers and responsibilities of municipal government in itself and as a part of the total impact of

government on the economy. Accuracy in municipal statistics will only be attainable if it is possible to develop simple, standard reporting forms readily adaptable not only to large urban municipalities but to the village and small municipalities as well. The Municipal Finance Reporting Manual, although undoubtedly a thoroughly useful piece of work for the initiated, appears to be too rigidly related to the demands of the accountant and auditor to be practical for teaching purposes.

For **research purposes** what is needed is:

- (a) statistics more closely related to and concerned with the economic and social implications of municipal activities rather than with purely financial transactions;
- (b) statistics concerning general situations and trends which are needed to help solve the complex problems of regional growth and which statistics might suggest alternative methods of regional control and development of governmental structure;
- (c) better and more accurate statistics of traditional units of government may prove increasingly important in analysing the costly demands of urbanization, industrialization and secularization especially in those areas where functions have spilled out over the political boundaries while authority to perform the functions remains legally chained to the traditional boundaries;
- (d) data in convenient form which will bring into comparable groupings the financial and other economic and social statistics of municipalities of similar size and interests so that by objective analysis, new and better ideas for future action can germinate;
- (e) it is not only the data that are directly part of the municipal budget with which the academician is concerned but those that are incurred by school boards and other special purpose bodies, on capital account as well as current. Thus, confinement of statistics to closed statutory municipal responsibilities can lead to a complete misconception of the place of local government in the economy.

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Mr. W. Barry Coutts of the Business School of the University of Toronto was the discussant on Mr. Burns's points of view.

Summary and Conclusions

Mr. George A. Wagdin, Director of the Governments and Transportation Division of the Dominion Bureau of Statistics was the final speaker to address the Conference. Mr. Wagdin considered "Where Do We Go From Here?" and the following is a synopsis of his comments and observations.

In reflecting on the various points of view expressed at this Conference by the many users of statistical information, one must be aware that the

demand for improvements has become a constant pressure due to the pace of our changing economy. Recommendations made only five years ago do not fully meet to-day's needs.

Closer examination of the users' needs for better and more timely data reveals that many difficulties will be encountered in implementation. The most basic of these is considered to be communication with accountants, statisticians and economists among whom a unilingual condition does not always exist. Another continuing difficulty has been that the suppliers of information have almost no interest in statistical results. This is especially true at the municipal level where the demand for data is a time-consuming and exacting exercise; however, in this area, much can be done through co-operation to minimize the number of requests and to devise a statistical product that would be of practical value to municipalities.

While the Conference essentially examined the municipal segment of government finance, the total government sector would also have to be considered. The reasons are (1) much of the data in the municipal area must be combined with federal and provincial statistics and (2), the myriad forms of financial interrelationships among the three levels of government must be kept in proper perspective.

This Conference quite plainly laid the groundwork for improvements in statistical programs and while the final responsibility for integrated government finance statistics must rest with the Dominion Bureau of Statistics, the objective of the meeting was achieved by focussing attention on action that should be taken along the following lines:

1. The creation of a Dominion Bureau of Statistics sponsored **advisory committee on municipal statistics** to be composed of:

two representatives from the Dominion Bureau of Statistics to be appointed by the Dominion Statistician;

three federal government officials—one from the Department of Finance, one from the Bank of Canada and one from the Economic Council of Canada;

two provincial government economists or Treasury Department officials to be appointed by the Federal-Provincial Continuing Committee on Fiscal and Economic Matters;

five officials from the Departments of Municipal Affairs also to be appointed through the above named Committee;

five representatives of municipalities, preferably municipal finance officers to be appointed by the Canadian Federation of Mayors and Municipalities;

and in addition, there should be adequate representation from the other bodies sponsoring this Conference and from a number of non-government agencies.

Terms of Reference: To examine into the complete range of user needs in the field of municipal finance and advise the Dominion Bureau of Statistics and other Canadian agencies issuing statistics, on the best ways and means of satisfying these needs.

2. A Federal-Provincial Conference should be called as soon as possible oriented towards a considerable revision of the Municipal Finance Reporting Manual; and further that a Continuing Committee of that Conference pay particular attention to the development of adequate co-ordination between the statistical systems maintained by the Dominion Bureau of Statistics and the departments of municipal affairs and examine into the possibility of co-ordinating their analysis, compilation and publication programs.
3. A conference similar to this Conference should be convened to examine into the inadequacies in the present program of federal and provincial government finance statistics especially in the area of the relationship between government finance and other statistics such as transportation and education.

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PART III

MEMORANDA AND REPORTS

MEMORANDUM
of
DOMINION BUREAU OF STATISTICS
to the
SECOND
DOMINION-PROVINCIAL CONFERENCE
on
MUNICIPAL STATISTICS IN CANADA
DECEMBER 4 to 6, 1940
on
CLASSIFICATION OF DIFFERENT TYPES
of
LOCAL GOVERNMENT UNITS
IN CANADA

DOMINION BUREAU OF STATISTICS

In accordance with a resolution adopted at the first Dominion-Provincial Conference on Municipal Statistics held in 1937, the Dominion Bureau of Statistics prepared a classification of the different types of local government units in Canada which was presented at the second Conference meeting in May, 1940. It was found necessary to revise the text matter owing to legislative amendments taking place since the first report was prepared.

The chart represents a summarized statement of prerequisites for incorporation of municipal units in each province which permits a comparatively ready reference as between provinces. This is followed by more fully detailed definitions which were provided by kind co-operation of officials of the Municipal Affairs Departments in the several provinces.

The present report was prepared by the Finance Statistics Branch under the direction of Col. J.R. Munro.

A handwritten signature in dark ink, reading "R. H. Coats". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

R. H. Coats,
Dominion Statistician.

Ottawa, October 25th, 1940.

Summarized Definitions of Municipal Units, by Provinces

Unit	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
City	Special legislation for each.	Special legislation required. Each is a selfgoverning unit within limits of its charter in respect of matters not dealt with by Provincial Legislation.	Special legislation for each.	6,000—Area not specified. Notwithstanding population figure a city may be incorporated by special act.
Town	Population and area requirements not specified.	1,500—Area not more than 640 acres. Glace Bay and Dartmouth incorporated by special acts.	1,000—Area not specified.	2,000—Area not specified. Notwithstanding population figure a town may be incorporated by special act.
Village	Population and area requirements not specified.	No corporate entity known as a village, but the Village Supply Act provides for certain utility services.	300—Area not exceeding 1,500 acres.	40 inhabited houses within a space of 60 superficial arpents and the taxable immovable property thereof must have a value of at least \$50,000. Special provision is made for certain areas adjoining the National Transcontinental Railway.
Township				See Municipality (General).
Police District or Police Village			Special legislation for each.	
School District		Each town and city comprises one school district. There are also 1,476 rural school districts and 254 village school districts. The latter which though rural in character are so styled for administration and augmented departmental management.	Minimum 50 resident children between 6 and 16, unless district contains 3½ square miles.	Municipal corporations have no jurisdiction concerning school matters.

Note: The first figure in each column indicates population.

Summarized Definitions of Municipal Units, by Provinces - Continued

Ontario	Manitoba	Saskatchewan	Alberta	British Columbia
15,000—Area not specified.	10,000—The four cities are each incorporated by special act.	5,000—Subdivided area. No limit as to size.	Special legislation for each. 2,500 in practice but neither population nor area specified in statutes.	100 male British subjects 21 years of age. Area not to exceed 2,000 acres. For details see page 13. Vancouver City is governed by special incorporation act.
2,000 if in a county; 500 if in unorganized territory. Area not to exceed 500 acres for the first 1,000 or less, but 200 acres or fraction may be added for each additional 1,000 population or fraction thereof; if in a county, 750 acres; if in unorganized territory and population is 500, but 300 acres or fraction may be added for each additional 500 population or fraction thereof.	1,500—Area not more than 640 acres unless population exceeds 2,000 then 160 acres may be added for every additional 1,000 inhabitants.	500—Subdivided area. No limit as to size.	700 in practice. No limit of area specified in the Town and Village Act, but the area at incorporation is that of the original village plus any adjoining land on which there is one occupied dwelling or place of business for every five acres.	No act provides for the creation of towns as governmental units.
751 if in a county—Area not exceeding 500 acres if population is 1,000 or less; 200 acres or fraction may be added for each additional 1,000 population or fraction thereof. In districts villages are created by a special act. Area and population are not specified.	500—Area not more than 640 acres unless population exceeds 2,000, then 160 acres may be added for every additional 1,000 inhabitants over the first 2,000.	100—Subdivided area not to exceed 240 acres.	35 separate and occupied dwellings; Area—no limit specified. The Town and Village Act requires each dwelling to have been occupied continuously for a period of at least one month.	Inhabitants of any area which is not included within the limits of any municipality may upon receiving a petition conforming to the requirements of the Act be incorporated into a village municipality.
In unorganized territory 100—Area 20,000 acres if locality not surveyed into townships. The boundaries of townships in counties fixed by statute; area and population not specified.				No act provided for the creation of townships as governmental units.
150—Not exceeding 500 acres, but may be increased by 20 acres for each additional 100 population over 500. Governed by a Local Board of Trustees. While having certain local powers it is not an incorporated village and for general municipal purposes forms part of the township in which it is situated.				
In districts, school sections may be formed comprising the whole or part of any unorganized township or parts of two or more adjoining townships. Also school sections may be formed in any part of the province which has not been surveyed into townships. Area of school section in an unorganized township is limited to a length or breadth not exceeding 5 miles. No restrictions as to size of school sections in un-surveyed areas.	There are several classes of school districts. For details see page 53.	10 children of school age. Rural areas usually cover 20 square miles. Urban areas vary. For details see page 55.	Public—4 persons who on establishment of district would be liable to assessment, and 8 children not younger than 5 nor older than 16 years of age. Area not to exceed 4 miles in length or breadth exclusive of road allowance.	

Summarized Definitions of Municipal Units, by Provinces - Continued

Unit	Prince Edward Island	Nova Scotia	New Brunswick	Quebec
District Municipality				
Other Local Boards				
Municipality (General)		24 municipalities for governmental purposes. Where a whole county is not a municipality that county is divided into 2 municipalities within the county lines. Any incorporated city or town within the boundaries of a municipality is excluded from any jurisdiction by the Municipal Council.	A county, city, town or incorporated village, including the corporation and local board thereof.	300 - All local municipalities (other than cities, towns or villages) called parishes or townships constitute rural municipalities.
Hamlets				
Rural Telephone Companies				
Union Hospital Districts				
Local Improvement Districts				
Counties and County Councils		Divided in 18 counties and much of the administrative work of the province is conducted in accordance with county lines. A county has no administrative function.		County Councils comprise the Mayors of all village and rural municipalities situated in the 76 municipal counties of the province whose functions are similar to those of Ontario or to Joint Expenditure Boards of Nova Scotia.
Poor Districts		Each municipality constitutes one or more poor districts whose activities are controlled by the Municipal Council.		
Joint Expenditure Boards - Arbitration Committees		Court houses, jails and poor houses are maintained for the joint benefit of municipalities and the proportion of expenditure to be paid by each municipality is settled by an arbitration committee or a joint expenditure board.		
Municipal Corporations			Incorporated under special acts constituting a commission governed by a Board of Commissioners.	

Summarized Definitions of Municipal Units, by Provinces - Concluded

Ontario	Manitoba	Saskatchewan	Alberta	British Columbia
	Inhabitants of any locality not included within the limits of a municipality may upon petition be incorporated as a municipal district.		Restrictions as to number of residents or size of area not specified in statutes. In practice, area is usually 9 townships.	30 male British subjects 21 years of age. Area not specified.
In unorganized townships, a Board of Road Commissioners may be formed for an unspecified area at a meeting of at least 20 resident land holders. All other Local Boards operate within municipalities.				
A locality, the inhabitants of which are incorporated. Cities, towns, villages, townships and counties are the only municipalities.	There are 117 rural municipalities. No requirements as to population. Boundaries established by "The Municipal Boundaries Act". Area varies from 4 townships to 21 townships (approximately). (See text, page 52).	No requirements as to population. Area usually 324 square miles.	A locality the inhabitants of which are incorporated.	
		No requirements as to population. Subdivided area including small portions of farm lands used as sites for businesses or some similar purpose other than agricultural.		
		No requirements as to population. Pole-line only. No limit as to mileage.		
		No requirements as to population. Area varies.		
		No limit as to population. Usually 324 square miles.	Areas not incorporated as municipalities are termed "Improvement Districts" and "Special Districts".	
County boundaries are fixed by statute. Population requirements not specified. Power to levy taxes only against the constituent towns, villages and townships. County councils comprise representatives from these local municipal councils.				
3 Provincially appointed Commissions incorporated by statute have certain powers of municipal corporations within specified areas.				

DOMINION BUREAU OF STATISTICS
BRIEF STATEMENT OF THE LAW AND PRACTICE
IN EACH PROVINCE FOR THE ORGANIZATION
AND INCORPORATION OF MUNICIPAL GOVERNMENT UNITS

As at September 1, 1940

PRINCE EDWARD ISLAND

- (I) "An Act for the better government of certain towns and villages in this Island," passed in 1870 and amended in 1874. This Act does not specify a population requirement. No incorporations have as yet been made under its authority. It makes no provision for the erection of cities.
- (II) Special Act—By this is meant a special Act of the provincial legislature. All incorporations to date have been made under Special Acts.

NOVA SCOTIA

- (I) **City**—Self governing unit within limits of its charter in respect of matters not dealt with by Provincial Legislation.
- (II) **Town**—Scattered throughout the various municipalities of the Province there are forty-three incorporated towns.

With the exception of the Town of Dartmouth and the Town of Glace Bay each of these towns are formed under the provisions of the Towns' Incorporation Act, Chapter 84 of The Revised Statutes, 1923, the population of which shall not be less at the time of incorporation than fifteen hundred persons dwelling within an area of not more than six hundred and forty acres.

The Town of Glace Bay and the Town of Dartmouth are incorporated by special Acts of the Legislature and take some of their powers by virtue of the special Acts and the remainder of their powers from the Towns' Incorporation Act, but for the purposes of classification all incorporated towns can be regarded as an independent local government unit with exclusive jurisdiction to vote, rate, collect, receive, appropriate and pay all sums of money required by the Town for town purposes and in addition has the exclusive right to borrow money for town purposes and to make by-laws for the government of the town; as in the case of municipalities these two last mentioned powers are subject to the approval of the Minister of Municipal Affairs.

Every incorporated town is governed by a Mayor and Town Council consisting of not less than six councillors.

- (III) **Village**—Strictly speaking there is in Nova Scotia no corporate entity known as a village but pursuant to the powers contained in The Village Supply Act, Chapter 88 of The Revised Statutes, 1923, the residents of unincorporated localities within a municipality may for the purpose of providing themselves with water, sewerage, electric light and fire protection incorporate a Board of Commissioners to manage and administer any such service.

Such a Board of Commissioners has power to rate and also to raise money by the issuance and sale of debentures which constitutes a charge on the property within the limits of the jurisdiction of the commissioners and such borrowing is not subject to any control or approval by the Municipal Council or by the Minister of Municipal Affairs. In lieu of incorporating a Board of Commissioners under The

NOVA SCOTIA—Continued

Village Supply Act a number of local districts have incorporated such Commissioners under a special Act of the Legislature. In these cases the powers, duties and obligations of the Commissioners are comparable to those given or imposed by The Village Supply Act.

- (IV) **County**—The Province of Nova Scotia is divided into eighteen counties and much of the administrative work of the Province is conducted in accordance with county lines. Thus the sittings of the Supreme and County Courts are arranged according to counties and the Judges of the County Court are appointed for one or more of the counties; each county has a High Sheriff whose jurisdiction is limited to and is exclusive in his county and the Probate Districts of the Province are with two exceptions divided on county lines and the jurisdiction of a Registrar is generally limited to one of the counties.

A county as such has no administrative functions.

- (V) **Municipality**—The main divisions of the Province for governmental purposes are the twenty-four municipalities each governed by a Warden and Municipal Council.

The majority of Nova Scotia Municipalities comprise one county, but six counties of the Province are divided into two municipalities each, although in no case do the boundaries of any municipality overlap county lines. In other words, where a whole county is not a municipality that county is divided into two municipalities within the county lines.

Any city or incorporated town that lies within the boundaries of a municipality is excluded from any jurisdiction by the Municipal Council and has its own Government as will hereafter appear.

A municipality has the exclusive right to vote, rate, collect, receive, appropriate and pay all sums of money required by the municipality for its purposes, and has the exclusive right to make by-laws. The right to borrow money and to make the by-laws is, however, subject to the approval of the Minister of Municipal Affairs.

The various municipalities take their powers from and are limited by the Municipal Act, being Chapter 4 of the Acts of 1940, which is in effect a consolidation of the earlier Municipal Acts of the Province.

Each municipality is governed by a Warden and Municipal Council. The councils are of various sizes and generally speaking each district of a municipality elects one councillor to the Municipal Council.

- (VI) **School District**—There are in the entire Province 1,775 separate school districts, each of which has the power to rate, collect, appropriate and pay school rates and taxes.

Each incorporated town and the two cities in the Province comprise one school district each, which for convenience are classified as urban districts. The remaining 1,730 school districts are divided into two classes, rural districts to the number of 1,476 and village districts to the number of 254. This last mentioned division is an artificial one as village section is merely a convenient term for a rural district that maintains more than one department in its school or schools.

With the exception of the forty-five urban school districts each school district rates, assesses, collects, appropriates and expends its own money for educational requirements and also expends the municipal grant made by the Municipal Council of the municipality in which the school district is situated.

The rural and village districts in addition to making an annual levy for school purposes, are authorized to borrow money on the credit of the school district and such borrowings are not subject to the control of the Municipal Council or to the Department of Municipal Affairs.

In the case of the urban school districts the council of the city or incorporated town, as the case may be, carries out all the functions usually performed by the independent school sections.

NOVA SCOTIA—Concluded

- (VII) **Poor District**—Each municipality of the Province constitutes one or more poor districts and generally speaking the Municipal Council is required to appoint overseers of the poor in each such district.

Such overseers annually estimate the amount required for the support of the poor in their district and report the same to the annual meeting of the Council. The sums voted by the Council for the relief of the poor are expended by the overseers for the purposes for which the same were voted and records of their proceedings and expenditures are maintained by each body of overseers. Overseers of the poor have no administrative functions beyond the furnishing of relief and the support to all indigent persons having a settlement in such poor district. Overseers of the poor may require any poor person applying for relief to go into and be lodged and kept in any poor house maintained by a poor district or by any municipality, city or town.

- (VIII) **Joint Expenditure Board, Arbitration Committee**—There is within each county of the Province not less than one court house and jail and practically every county has a poor house. The court houses, jails, poor houses and some other objects of municipal expenditure are frequently maintained for the joint benefit of municipalities and cities and towns and the proportion of such expenditure which should be borne by the municipalities and the cities and towns is settled by an arbitration committee appointed annually by the Council of every municipality, city and town.

In one or two cases the arbitration committee has been dispensed with and, by virtue of special legislation, a joint expenditure board is created to perform the duties and have the powers that would otherwise vest in the arbitration committee. Such arbitration committees and joint expenditure boards determine what objects are for the joint benefit and adjust differences in the standard of assessment and determine what proportion of expenditures incurred by the municipality for a joint benefit should be borne by each municipality, city or town.

Where court houses, jails, poor houses or other objects of municipal expenditure are maintained for the joint benefit of a municipality and cities and towns, the cost of erecting the buildings is always borne by the municipality or, if there are two municipalities, by the municipality in which the building is situated and the cities and towns and other municipalities enjoying any benefit therefrom make an annual contribution to the principal municipality for interest on and amortization of the loan. In the same manner the annual expense of maintaining or operating the building is borne by the principal municipality and the remaining municipality, if any, and the cities and towns contribute their proper share of this expense.

In the case of Joint Expenditure Boards the payments are made to the Joint Expenditure Board by each municipality, city and town and the Board itself disburses the funds so received.

NEW BRUNSWICK

- (I) **City**—No statutory provision has ever been made in regard to the erection of cities, but they may be erected by special acts.

- (II) **Town**—The Town Incorporation Act, 1896. R.S. 1927, c. 179, s. 4: Previous to the passing of this Act, no statutory provision existed for the erection of a town. This Act now provides that when the inhabitants of a town not now incorporated desire to become incorporated hereunder, a requisition, signed by at least fifty ratepayers of the town, shall be presented to the sheriff of the county in which such town is situated, requesting such sheriff to hold an election of the ratepayers of the town to determine whether the inhabitants thereof shall become incorporated under the provisions of this Chapter. The sheriff shall not act upon such a requisition unless he is satisfied that the population within the boundaries of the proposed town exceeds 1,000.

NEW BRUNSWICK—Concluded

- (III) **Village**—The Village Incorporation Act, 1920, c. 56: No statutory provision for the erection of a village existed until this Act was passed. It requires a population of 300 persons on an area not greater than 1,500 acres of land, except that under special circumstances, when the area of the proposed village contains a relatively thickly settled population, although less than 300 persons, the Governor-in-Council may provide for its incorporation under the Act.
- (IV) **Police District**—Special legislation is required for each district.
- (V) **Municipality and Municipal Corporation**—For the purposes of certain acts there is a distinction which has been definitely stated as for instance, in the case of the Municipal Debentures Act which defines a Municipality as “a city, town, incorporated village and municipality” or county unit, and a Municipal Corporation as “a county, city, town, parish, incorporated village, school district and the inhabitants of a defined area within the Province, incorporated for the purpose of providing water, fire protection, light, power, streets, sidewalks, or other like utilities within such area”. These latter municipal corporations are incorporated under Special Acts and constitute a Commission governed by a board of commissioners. In some instances, two or more commissions and a school district have been set up within the same area which might well have been incorporated as a village or town.
- (VI) **Town School Board**—Many incorporated towns have no town board of school trustees and in these cases the school district includes the town but the town has not taken advantage of the Schools Act allowing the district to be classified as a town board. Hence there is overlapping of government in these areas. In some few cases also the school accounts are carried on the town books and have not been classified separately.
- (VII) **Special Acts**—Villages and towns may also be erected under Special Acts if they have not the statutory requirements of the Villages Act or Towns Act, respectively.

QUEBEC

- (I) **City and Town**—“R.S. 1925” c. 102—The Lieutenant-Governor-in-Council may, by letters patent and in accordance with the formalities hereinafter prescribed, erect the territory of a village municipality into a town municipality, if it contains at least 2,000 souls, and the territory of a village or town municipality, if it contains at least 6,000 souls, into a city municipality.
- (II) **Village**—“Municipal Code 1916”, art. 37—Any territory, in order to be erected into a village municipality, must contain at least 40 inhabited houses within a space of 60 superficial arpents and the taxable immovable property in such territory must have a value, according to the valuation roll in force, of at least \$50,000.
- (Nevertheless, in the case of a territory not already forming part of a city, town, village or parish municipality, and situated within 3 miles of the National Trans-continental Railway, it is sufficient for the application to be signed by at least 25 proprietors of immovable property in such territory).
- (III) **Rural Municipality**—“Municipal Code 1916”, art. 16, sec. 2—The terms “rural municipality” or “country municipality” include and mean parish municipalities, municipalities of part of a parish, of a township, of part of a township, of united townships and generally every local municipality other than town or village municipalities.
- (IV) **County Council**—“Municipal Code 1916”, art. 88—The county council is composed of the Mayors in office, of all the local municipalities in the county which are subject to the provisions of this code.
- (V) **Special Acts**—Communities unable to satisfy the statutory requirements of the Municipal Code or the Cities and Towns Act, may be erected into villages, towns and cities by Special Act.

ONTARIO

The province of Ontario is divided into districts and counties. The northern part of the province is divided into 11 districts while the southern part is divided into 43 counties. Counties possess both municipal and judicial powers while Districts are merely territorial divisions of the more sparsely settled northern sections of the Province for judicial purposes only and do not possess the powers or represent municipal units for any purpose. Assessment and taxation in these Districts are under the complete control and jurisdiction of the Province. There are however taxes paid by residents of these areas for school purposes.

Local government agencies or units in Ontario may be classified as municipalities and local boards.

A. Municipalities—Although the Municipal Act requires new municipalities that are created under that Act to have a certain area and a certain population before incorporation is granted, the area and population of many existing municipalities vary from those standards. The statutory definition of a "municipality" is "a locality, the inhabitants of which are incorporated".

(I) **City**—Incorporated by Ontario Municipal Board: (R.S.O. 1937, c. 266, s. 19) The minimum population required is 15,000 but there is no area specified. Cities have the power to levy taxes.

(II) **Town**—Incorporated by Ontario Municipal Board: (R.S.O. 1937, c. 266, s. 18, 19). Minimum population of 2,000 if in a county but 500, if in unorganized territory: The maximum area is 500 acres for the first 1,000 population or less if in a county, but 200 acres or fraction may be added for each additional 1,000 population or fraction thereof; 750 acres if in unorganized territory and population is 500, but 300 acres or fraction may be added for each additional 500 population or fraction thereof. Towns have the power to levy taxes.

An addition shall not be made to any town which will have the effect of increasing its area beyond the prescribed limit.

Land occupied by highways, parks and public squares and land covered by water shall be excluded in determining the area.

(III) **Village**—If in a county, incorporated by by-law of county council: (R.S.O. 1937, c. 266, s. 11, 12). The minimum population is 751 and the maximum area is 500 acres if the population is 1,000 or less, but 200 acres or fraction may be added for each additional 1,000 population or fraction thereof. Villages have the power to levy taxes. Villages in "Districts" are created by a Special Act of the Legislature and there does not appear to be any special requirements as to area and population.

An addition shall not be made to any village which will have the effect of increasing its area beyond the prescribed limit.

Land occupied by highways, parks and public squares or covered by water is excluded in determining the area.

(IV) **Police Village**—See "Local Boards—Board of Trustees of a Police Village".

(V) **Township**—If in a county, townships may be amalgamated (R.S.O. 1937, c. 266, s. 23 as amended in 1939); if in unorganized territory, townships or union of townships may be incorporated by District Judge (R.S.O. 1937, c. 266, s. 24, 27). The minimum population in unorganized territory is 100 and the maximum area in unsurveyed territory is 20,000 acres. Townships have the power to levy taxes.

(VI) **County**—Incorporated by statute: (R.S.O. 1937, c. 3 and c. 266). The population is not specified but the area is fixed by statute. A county comprises towns, villages and townships and has the power to levy taxes on constituent local municipalities. The Members of the county council are the reeves and deputy reeves (where there are such) of the towns, villages and townships. The main functions of county councils are with respect to main highways, bridges, secondary education and administration of justice.

ONTARIO—Concluded

- (VII) **Special Acts**—Localities which do not qualify as to population and area under the Municipal Act may be erected into villages, towns and cities by Special Act of the Provincial Legislature.
- (VIII) **Provincially Appointed Commission**—Commissions, such as the Burlington Beach Commission, Long Point Park Commission and Presqu'ile Park Commission etc. are incorporated by statute and have power to levy taxes.

B. Local Boards—

1. Board of trustees of a police village—If in a county established by county council or Ontario Municipal Board (R.S.O. 1937, c. 266, s. 526); if in a township that is outside a county, established by the Ontario Municipal Board (s. 529) trustees may be incorporated if population of 500 or more (s. 553). The minimum population required is 150 and the maximum area 500 acres, but the area may be increased by 20 acres for each additional 100 population over 500. The Board has no power to levy taxes. Requisite funds are provided by the township.
2. Board of trustees of a public school—The Board has the power to levy and collect taxes, to incur debt and issue debentures where the public school "section" is in unorganized or unsurveyed territory, and is not within the limits of a municipality. The area of a school section in an unorganized township is limited to a length or breadth not exceeding five miles. There does not appear to be any restrictions however as to the size of school sections formed in unsurveyed areas. The population is not specified. In organized municipalities the making of the assessment and the levying and collection of taxes for and on behalf of the local school boards is carried on by the municipality.
3. Board of trustees of a separate school—The Board has the power to levy taxes, but the taxes may be collected by the municipality.
4. Board of road commissioners—Under the Statute Labour Act (R.S.O. 1937, c. 274), the Board has the power to levy taxes in unincorporated townships.

MANITOBA

The Municipal Act, R.S.M. 1940, c. 141: It brings all incorporated rural municipalities, villages, towns and cities, except Winnipeg and St. Boniface within its scope and provides as follows:

- (I) **City**—A town containing over 10,000 inhabitants may be erected into a city by proclamation of the Lieutenant-Governor-in-Council. The four cities in Manitoba at present however are each incorporated by Special Act.
- (II) **Town**—When a locality contains over 1,500 inhabitants, the Lieutenant-Governor-in-Council, upon petition of no fewer than 150 householders, may, by charter or letters patent, incorporate the inhabitants of such locality as a town corporation. No town incorporated after the passing of "The Municipal Act", the population of which does not exceed 2,000, shall occupy an area of more than 640 acres. If the population exceeds 2,000 the limits may be increased in the proportion of 160 acres for every additional 1,000 inhabitants. Public parks are excluded in calculating area.

Subject to the restrictions provided in "The Municipal Act" as to area the Lieutenant-Governor-in-Council, by proclamation may include in a town or city such portions of any municipality or municipalities adjacent thereto as the Lieutenant-Governor-in-Council considers it desirable to attach thereto.

When a village contains over 1,500 inhabitants it may be erected into a town by proclamation of the Lieutenant-Governor-in-Council.

- (III) **Village**—When a locality contains over 500 inhabitants, and when the residences of such inhabitants are sufficiently close together to form an incorporated village, the Lieutenant-Governor-in-Council, upon petition of no fewer than 75 householders, may, by letters patent, incorporate the inhabitants of such locality as a

MANITOBA—Continued

village corporation. No village so incorporated shall occupy an area of more than 640 acres, unless its population exceeds 2,000 and then 160 acres may be added for every additional 1,000 inhabitants over the first 2,000.

The Lieutenant-Governor, upon petition and subject to the provisions of "The Municipal Act", may, by proclamation, add to the village any part of the localities adjacent which, from the proximity of the streets, or buildings therein, or the probable future exigencies of the village it may seem desirable to add thereto.

The Lieutenant-Governor-in-Council may, on petition of the owners of any lands included in a village or town, where the outstanding obligations and debts do not exceed three times the amount of the proceeds of the yearly rate then last levied and collected therein, by proclamation reduce the area of such village or town by excluding from it land used wholly for farming purposes and including the lands in an adjacent municipality.

- (IV) **Rural Municipality**—Incorporated under and by "The Municipal Boundaries Act", R.S.M. 1940, c. 143, subject to the provisions of "The Municipal Act".

In Manitoba there are a number of urban areas, in some cases having sufficient population to qualify for erection into a village, which are not incorporated as such but have assumed the name of an adjacent railway station or post office, but which actually are part of the rural municipality in which they are located. Where such an area has the population of not fewer than 150 and an area of not more than 500 acres, the rural municipality, by by-law, may erect the locality into an unincorporated village district. Certain jurisdiction is then given to an elected committee of the unincorporated village district as regards the expenditure of its share of municipal revenue, but the committee must make an annual return to the rural municipality in which it is located as to the receipts and expenditures of the village committee and these statements are audited as part of the accounts of the rural municipality.

- (V) **Municipal District**—Upon petition from 50 per centum of the householders in a locality, the Lieutenant-Governor-in-Council may incorporate the inhabitants of any locality, which is not included within the limits of a municipality, as a municipal district with the powers, rights and privileges provided in the letters patent and in "The Municipal Act".

- (VI) **Special Acts**—Localities which do not qualify under the foregoing provisions of "The Municipal Act" or "The Municipal Boundaries Act", or if they desire special powers or privileges, may be incorporated by Special Act of the Legislature.

(VII) **School Districts—**

- (a) **Cities, Towns and Villages.** Where the boundaries of a city, town or village are coterminous, or nearly so, with those of the school district, it is classed as a city, town, or village. Such districts will be formed, however, by the Council or by arbitration as in the case of such districts union with rural areas.

- (b) **Rural School District.** This type of school district is set up by the Council of the Municipality in which the district lies. The action is usually begun through a petition of the interested electors. The Council of the Municipality passes a by-law incorporating the school district.

In case a proposed district lies in two Municipalities, each Municipality names an arbitrator. These two appoint a third. The Inspector of Schools acts as the Secretary and their finding is binding upon the Municipalities concerned.

Rural School Districts shall not include more than twenty square miles exclusive of public roads and no district can be formed unless there are at least ten children of school age living within the area to be included. Certain provisions are made for a larger area where the configuration of the land does not permit certain lands to be added to other districts.

MANITOBA—Concluded

- (c) **Municipal School Districts.** These are of two classifications: (a) those which are Municipal by definition, namely those whose boundaries are coterminous with those of the Municipality, and (b) those formed by a by-law of the Municipality. Every Municipality has power to form a school district comprising all of the lands from such a Municipality, save such lands as are comprised of any union school district, and to establish a Board of Trustees, therefore, if a majority of the electors, voting on such an appeal, vote in favour thereof.
- (d) **Consolidated District.** A school district may be created without any limitation as to area if the Council provides in the by-law that the Trustees shall provide for the transportation of pupils who have farther than one mile to walk. One hundred districts in the Province of Manitoba have an area of over twenty square miles. For the most part these have been formed by bringing together a number of smaller districts.
- (e) **Districts Formed by the Lieutenant-Governor-in-Council.** Such districts may be large units in unorganized territory, comprising several ordinary rural school districts, or it may be within the bounds of the twenty square miles which is the limitation placed on school districts in Municipalities.

The Lieutenant-Governor-in-Council may, by order, form a district in any part of the Province or may adjust the boundaries of the existing districts.

SASKATCHEWAN

- (I) **City**—The minimum population required is 5,000 persons, with no limit as to size of subdivided area. There is an elected Council consisting of a mayor and an even number of aldermen not less than 6 and not more than 20. The ratepayers decide the number to be elected.

The Council extends certain services to their ratepayers such as roads, bridges, drainage and other public works, protection to persons and property, conservation of health and sanitation, poor relief, hospital and medical treatment to indigents etc. Debenture debts are limited to 20% of the taxable assessment excluding debentures for secondary schools, street railways, light and power plants when sanctioned by the proper department of the provincial government and the proportion of a debenture repayable by local improvement taxes. There is no limit to tax rates imposed. Only cities and towns may issue debentures on a sinking fund plan. Mental hospitals, courts and sheriffs' offices, gaols and houses of correction, Old Folks' homes, tuberculosis sanatoria, cancer clinics and Land Titles offices are under the control of the provincial government.

- (II) **Town**—The minimum population required is 500 persons with no limit as to the size of subdivided area. There is an elected council of 7 members consisting of a mayor and 6 councillors, one of the latter to be selected as deputy-mayor. A town has practically the same general powers as a city but on a smaller scale.

It can levy local improvement taxes to repay all or part of the cost of such improvements. It has no power to float temporary loans for schools. Debenture debts are limited to 15% of the taxable assessment excluding debentures for secondary schools and the proportion of debentures repayable by local improvement taxes. There is no limit to the tax rate.

- (III) **Village**—The minimum population required is 100 persons with a subdivided area not to exceed 240 acres. There is an elected Council of three members one of whom is selected as Overseer. Villages levy and collect taxes for their own use and also for schools, hospital districts and the provincial government. They extend certain services to their ratepayers on a lesser scale than that of cities and towns and have the power to create temporary loans for school purposes. Debenture debts are limited to 10% of the taxable assessment and the general tax rate, excluding debenture rate, must not exceed 20 mills.

SASKATCHEWAN—Continued

(IV) **Hamlet**—There are no requirements as to population, and the area is subdivided to include small portions of farm lands used as sites for businesses or some similar purpose other than agricultural. There is no form of local self-government and the needs of the hamlet are attended to by the council of the rural municipality in which it is situated.

(V) **Rural Municipality**—There are no requirements as to population and the area is usually 324 square miles. A rural municipality is governed by a Council consisting of a reeve and six councillors who are elected by the people. One of the councillors is selected as deputy-reeve. It imposes and collects taxes for the use of the municipality as well as for schools, telephone companies, hospital districts, hail insurance for grain crops and for the provincial government. It also extends the following services to its ratepayers:— roads, bridges, drainage and other public works, protection to persons and property, conservation of health and sanitation, poor relief, hospital and medical treatment of indigents, and advances for agricultural aid. The council of the rural municipality also attends to the needs of the hamlets within its boundaries with particular emphasis on such matters as sidewalks and streets, police protection, water supply, fire protection and electric light. A rural municipality has the power to borrow on the security of school and telephone taxes from which to make advances to schools and telephone companies against tax collections. Debenture debts are limited to 13 cents per assessed acre, and the general tax rate, excluding debenture rate, must not exceed 15 mills.

(VI) **Local Improvement District**—There is no limit as to population and the area is usually 324 square miles.

There is no local self-government except in the matter of educational services and for this purpose school districts are formed as separate units within the Local Improvement District. The Department of Municipal Affairs carries out the assessment and taxation, collects taxes through field men and through the same agency, provides such services to the residents as roads, bridges and other public works, medical and hospital attention for indigents, relief to the needy including seed grain advances where necessary, and general control of insect pests and animal diseases. The Minister of Municipal Affairs acts as a trustee.

(VII) **School District**—School districts may be erected within municipalities or partly within a municipality and partly within unorganized area; or they may be wholly within an unorganized area. The boundaries of a school district are rarely co-terminous with those of any municipality as even in urban municipalities the school district will extend beyond into the rural area. There must be 10 children of school age and the area is usually 20 square miles in rural areas but it varies in urban areas. School Districts issue their own debentures except secondary and technical schools whose debentures are issued by and become a liability of the municipality. Schools wholly or partly in unorganized areas impose and collect their own taxes on lands in such areas but this is rapidly being taken over by the Department of Municipal Affairs and collections returned to each district. Rural and village school districts have no power to borrow in advance of tax collections to meet operating expenses. They are financed by advances from such municipalities who later recoup themselves from school tax collections. Town and city school districts enjoy borrowing powers. Secondary and Technical schools repay to the municipality the annual debenture charges met by the latter. The principal function of a school district is to provide educational facilities within its boundaries and the cost is met by grants from the province and taxes imposed by municipalities at the request of the school district.

In rural and village districts there is an elective board of 3 members. In towns or cities below 10,000 population, school boards consist of 5 members and where the population is over 10,000 the number of members is 7.

(VIII) **Rural Telephone Company**—There are no requirements as to population and the area comprises only the pole-line. There is no limit as to the number of miles covered. A rural telephone company is a joint stock company with an elective board of directors, usually numbering from 5 to 7 members. The company provides telephone service in rural areas, issues its own debentures for pole line and apparatus and

SASKATCHEWAN — Concluded

the debentures are repaid by a flat tax per parcel on lands adjoining pole line. Special taxes are imposed in the same manner to meet part or all operating costs. Both taxes are imposed by the municipality at the request of the telephone company with the municipality making advances to the company against tax collections.

- (IX) **Union Hospital District**—There are no requirements as to population, and the area of the district varies. It includes one or more rural or urban municipalities or portions of such. A Hospital Board is appointed consisting of 1 to 3 representatives from each municipality wholly or partly in the district and representation is based on total taxable assessment of representative municipalities. They construct, equip, and operate a hospital and issue their own debentures for buildings and equipment. Municipalities forming the district contribute, by special tax levy, towards the operating deficit and retirement of debentures, contributions being on a predetermined basis.

ALBERTA

- (I) **City**—Special legislation is required for the erection of each city. The population requirements are 2,500 in practice but neither area nor population is specified in the Statutes.
- (II) **Town**—There is no limit of area specified in the Town and Village Act. The population requirements are 700 in practice and the area at incorporation is that of the original village plus any adjoining land on which there is one **occupied** dwelling or place of business for every five acres.
- (III) **Village**—A village must contain 35 separate and occupied dwellings but there is no limit of area specified. The Town and Village Act requires each dwelling to have been occupied continuously for a period of at least one month.
- (IV) **Municipality (General)**—A municipality is a locality the inhabitants of which are incorporated. Areas not incorporated as municipalities are termed "Improvement Districts" and "Special Districts".
- (V) **District Municipality**—There are no restrictions as to the number of residents and the area is not specified in the statutes. In practice, however, the area is usually 9 townships.
- (VI) **School District (Public)**—Any portion of the Province of Alberta may be established as a public school district provided that (a) the area does not exceed four miles in length or in breadth exclusive of road allowances; (b) it contains four persons actually resident therein who on the establishment of the district would be liable to assessment and eight children not younger than five nor older than sixteen years of age.

BRITISH COLUMBIA

- (I) **City**—(Municipalities Incorporation Act, R.S.B.C. 1936, c. 202 — City Municipality).

The Lieutenant-Governor-in-Council, by letters patent, may upon receiving a petition signed by the owners of more than one half of the assessed value of land to be included within the limits of the municipality if incorporated, incorporate any locality in the Province that has no direct debenture indebtedness into a city municipality where the area does not exceed 2,000 acres and in which there are resident one hundred male British Subjects of the full age of twenty-one years.

Vancouver City was incorporated by Statute and operates under the provisions of the "Vancouver Incorporation Act, 1921" and amendments. This is the only incorporated area in British Columbia not operating under the provisions of the "Municipal Act", or the "Village Municipalities Act".

BRITISH COLUMBIA — Concluded

- (II) **Town**—There is no Act which provides for the creation of towns as governmental units.
- (III) **Village**—(Village Municipalities Act, R.S.B.C. 1936, c. 203). The Lieutenant-Governor-in-Council, by letters patent, may upon receiving a petition conforming to the requirements of the Act, incorporate the inhabitants of any area which is not included within the limits of any municipality a body corporate as a village municipality.
- (IV) **District**—(Municipalities Incorporation Act, R.S.B.C. 1936, c. 202—District Municipality). The Lieutenant-Governor-in-Council, by letters patent, may upon receiving a petition signed by the owners of more than one-half of the assessed value of land to be included within the limits of the municipality if incorporated, incorporate any locality in the Province not already incorporated as a municipality and within which boundaries there are resident thirty male British Subjects of the full age of twenty-one years.
- (V) **Township**—There is no Act which provides for the creation of townships as governmental units. In several instances however, on incorporation, the word "Township" was used synonymously with "District".
- (VI) **Special Acts**—Localities have been incorporated by Statute but operate under the general provisions of the "Municipal Act".

MEMORANDA
provided by the
DOMINION BUREAU OF STATISTICS
to the
FOURTH
DOMINION-PROVINCIAL CONFERENCE
on
MUNICIPAL STATISTICS
September 25 to 27, 1947

MEMORANDUM RE: GENERAL FIXED ASSETS

Item
No.

1. Basis of Valuation of Fixed Assets:

The provisions of the **Manual** relating to the valuation of fixed assets apparently has caused some concern.

In the case of assets acquired through debenture issues, such are to be depreciated, theoretically at least, by the annual provision for debt retirement which is credited to depreciation reserve account. When the debt has been retired, it is provided that the asset be appraised and this value used for balance sheet purposes, with the depreciation reserve account transferred to "Investment in Capital Assets". The reason for this is that in most instances there is a considerable value attached to these assets, even after the debt is paid off, particularly from the standpoint of their usefulness in the future; and more so in recent years, as a result of the trend to short-term borrowings, irrespective of the normal life-time of the asset.

Similarly, in the case of fixed assets acquired out of revenue funds, it is provided that these are to be appraised each year, in order that their book valuation may be placed, as nearly as possible, on a basis comparable to those acquired out of debenture funds.

The main point of difference on this particular problem is whether fixed assets should be appraised for balance sheet purposes, where there is no debt outstanding, or whether such assets should be carried at original cost.

Since there is greater significance to the total amount expended for acquisition of fixed assets, i.e. original cost, than to the present value thereof, on the basis of the different methods employed to reflect depreciation, it is suggested, as a basis for discussion, that all general fixed assets should be shown at the amount of expenditures therefore, e.g. cost, irrespective of the source of the funds out of which such assets were acquired.

An exception to this general rule could be made in the case of fixed assets which are usually subject to inventory control, such as office and other furniture and fixtures, automobiles and mechanical and other types of equipment. In these instances, it is suggested that the valuation for inventory purposes be used.

2. Definition of Fixed Assets:

Fixed assets are defined in the Municipal Accounting Terminology as: "Assets of a permanent character having continuing value, such as land, buildings, machinery, furniture and other equipment." In addition to those specific types of assets, there are also municipal improvements in the form of sewers, sidewalks, streets, etc.

While the foregoing seems to be quite clear, there apparently are difficulties in determining when an expenditure is one which results in the acquisition of a fixed asset, i.e. when are expenditures to be classified as capital expenditures and when not, and consequently when are such expenditures to be reflected in the balance sheet item "General Fixed Assets".

As applied to land and buildings, or machinery and equipment, there would appear to be no great difficulty. The main problem lies particularly in relation to roads and streets. The following general rule is suggested as a basis for discussion in this respect:

"Capital expenditures on (municipal) roads, streets and highways shall be deemed to include (a) new construction; (b) acquisition of land and rights-of-way; (c) major improvements, such as resurfacing and widening. All other road, street or highway expenditures shall be considered maintenance."

Note:—The above definition is that recommended in connection with provincial financial statistics, as adopted at the Third Dominion-Provincial Conference on Provincial Financial Statistics, held in 1945.

Item
No.

3. **Fixed Assets Acquired by Gift or Grant-in-Aid:**

No specific reference is made to this problem in the **Manual**, but it is doubtful if there is any set policy or treatment accorded the valuation of such assets in the accounts of municipalities. While most fixed assets are acquired by direct expenditure of tax funds, municipalities may also acquire assets by gift, bequest or endowment, or by a grant towards the cost. For instance, the province or the Dominion may make a grant towards the cost of constructing certain buildings or municipal improvements; or some philanthropic person may will the municipality a building or create an endowment to be used to acquire property for certain municipal purposes.

In not all cases are these assets, or portions of the asset, as the case may be, reflected in the balance sheets of the municipalities concerned. It is suggested that, fixed assets acquired by grant-in-aid be reflected in the balance sheet at full original cost, and not just the net cost to the municipality; and that assets acquired by gift, bequest or endowment be reflected at appraised value, unless constructed by the municipality, when the original cost figure should be used.

In the case of joint undertakings, however, that is, where two or more municipalities undertake a project jointly, each bearing its respective share of the cost, but one municipality being responsible for the financing thereof, each municipality should show as an asset its share of the original cost of the project.

4. **Problem of Past vs. Future:**

Very little, if any, difficulty would be experienced in adhering to the foregoing general principles in so far as future expenditures are concerned; or even in cases where the assets have been acquired within comparatively recent years. However, where the original cost or other factors are not known, it does present a problem and more or less arbitrary rules or bases of valuation must be applied. It is suggested that standard rules be considered and recommended for use in all provinces. Alternatives would be the assessed valuation or appraisal value for land and buildings, and inventory valuation for furniture and fixtures and other equipment.

In the case of roads or streets and other improvements, however, the problem is not so simple. It is suggested that consideration be given to having each province draw up schedules of rates per foot, cubic foot, mile etc., as the case may be, for estimating the value of different types of improvements. These could be accompanied by instructions and illustrations for the use of local officials.

5. **Depreciation of General Fixed Assets:**

The **Manual** provides that depreciation reserves against general fixed assets are to be shown at amounts equivalent to provision for debt retirement, and upon maturity of the debt such reserves, are to be transferred to "Investment in Capital Assets".

It is suggested, however, particularly in the light of the foregoing discussion relating to the basis for valuing general fixed assets, that depreciation reserves should be entirely eliminated from municipal accounting procedure, except in the case of commercial or trading enterprises, such as utilities, where recognized commercial practice should be followed. On this basis, retirement of debt would be credited to "Investment in Capital Assets" instead of to a depreciation reserve account.

MEMORANDUM RE: OBJECT CLASSIFICATION OF EXPENDITURES

This basis for object classification of expenditures is submitted at this time for discussion only. It is not considered that any final conclusions will be reached or recommendations made at this Conference as to the final form or application and use of such a classification of expenditures by municipalities, either for statistical purposes or as a desirable component of their annual financial report. Alternatively it is felt that this outline might nevertheless serve as a basis for further study of this matter by Conference representatives and possibly also by any Committee appointed at this Conference.

Item
No.

1. Personal Services —
 1. Salaries and Wages
 2. Other
2. Other Services —
 1. Professional Services
 2. Fees, Commissions, etc.
 3. Insurance
 4. Heat, Light, Power and Water Services
 5. Repair Services
 6. Other
3. Materials and Supplies —
 1. Structural Materials and Supplies
 2. Machinery and Equipment—Materials, Supplies and Parts
 3. Printing, Stationery and Office Supplies
 4. Other
4. Capital Expenditures —
 1. Expropriation or Purchase of Land (when not allocated to a specific project)
 2. Acquisition of Buildings
 1. Expropriation or Purchase
 2. Construction by Contract
 3. Construction by Government
 3. Acquisition of Structures other than Buildings
 1. Expropriation or Purchase
 2. Construction by Contract
 3. Construction by Government
 4. Acquisition of Equipment
 1. Purchase of New Equipment
 2. Purchase of Used Equipment
 5. Other
5. Contributions, Grants and Subsidies —
 1. Municipal Enterprises and Other Funds
 2. School Corporations
 3. Personal Benefits and Care
 4. Business and Industry
 5. Other
6. Debt Charges —
 1. Debenture Debt Charges
 2. Temporary Debt Charges
 3. Discount on Current Taxes
 4. Discount on Sale of Debentures
 5. Premiums or Loss Sustained from Sale of Securities Purchased as Investments
 6. Loss on Foreign Exchange
7. Non-expense and Surplus Payments —
 1. Refunds
 2. Reserves
 3. Other

**MEMORANDUM RE: CONTINUING AND CO-ORDINATING COMMITTEES
ON PUBLIC FINANCE STATISTICS**

The need for providing an effective means for the study of problems relating to financial statistics at different levels of Government in Canada, and the problem of inter-governmental relationships which underlie the coordination of their financial statistics has been given considerable study by continuing committees of the 1943 and 1945 Dominion-Provincial Conference on Provincial Finance Statistics. While the report of the 1945 Conference Continuing Committee has not yet been made public, one of its recommendations deals with the desirability of establishing more or less permanent reference committees, subject to call as the need demands, as referred to herein.

The recommendations of this committee will be considered at a further conference some time this Fall. It is therefore suggested that this conference might also give consideration to this matter.

The proposals are that the proper authorities take such steps as may be necessary to set up the following committees:—

1. A Committee on Dominion Finance Statistics
2. A Committee on Provincial Finance Statistics
3. A Committee on Municipal Finance Statistics
4. A Co-ordinating or Reference Committee on Public Finance Statistics generally.

As a further means of familiarizing the authorities concerned with the problems relating to other fields of public finance statistics, it is suggested that the Conference give consideration to the desirability of recommending an interchange of representatives at future Dominion-Provincial Conferences on Provincial and Municipal Financial Statistics; and also that these representatives might, as the occasion demands, be invited to attend meetings of the Committee on Dominion Finance Statistics, if such a committee were established in accordance with the suggestion referred to in 1 above.

Report of the
CONTINUING COMMITTEE
to the
SIXTH
DOMINION-PROVINCIAL CONFERENCE
on
MUNICIPAL STATISTICS
October 1953

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Ottawa, Ontario,
Canada,
October 26th, 1953.

Herbert Marshall, Esq.,
Chairman,
Dominion Provincial Conference
on Municipal Finance Statistics,
Ottawa, Ontario, Canada.

Dear Mr. Marshall:

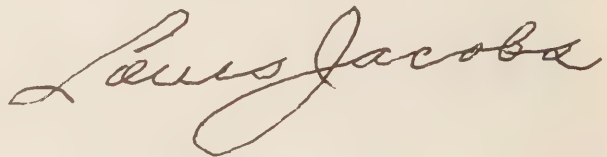
I have the honour to present to you the report of the Continuing Committee which was appointed at the Fifth Dominion-Provincial Conference on Municipal Statistics held in Ottawa, September 22nd, 23rd and 24th, 1948.

The membership of the Committee, its terms of reference, the meetings held, and its recommendations are set out in the report.

It was deemed advisable to hold an additional meeting immediately preceding this Conference of October 26-28, 1953, and an additional report will be presented. It is hoped that the Conference will find the recommendations of both reports acceptable for adoption after due consideration.

Along with other members of the Committee I should like to express our regrets that Mr. G. Lemonde of Quebec found it necessary for reasons of health to retire from the service of the Government of Quebec, and hence from this Continuing Committee. I am pleased to welcome to our councils Mr. J.C. McGee, Director of the Bureau of Statistics of the Province of Quebec, who has been nominated by his Deputy Minister to replace Mr. Lemonde.

Yours faithfully,

A handwritten signature in cursive script, reading "Louis Jacob". The signature is written in dark ink and is positioned above the typed name and title.

Chairman,
Continuing Committee.

Appointment of Committee

At the Fifth Dominion-Provincial Conference on Municipal Statistics held in Ottawa September 22-24, 1948, the Conference approved of the creation of a permanent Continuing Committee on Municipal Statistics to review future problems, with five regional representatives, and representatives of the Bank of Canada and the Dominion Bureau of Statistics as ex officio members. The following were appointed as members:

U.J. Harrington
G. Lemonde
W.A. Orr
L. Jacobs
B.C. Bracewell

Organization of the Committee

The first meeting of the Committee was held in Ottawa on May 18, 19, 20, 1949, with all regional representatives present, and also Messrs. J.E. Howes, representing the Bank of Canada, J.H. Lowther, and J.A. Barclay, representing the DBS. Mr. Jacobs and Mr. Lowther acted as chairman and secretary, respectively. A second meeting was held in Ottawa on April 30th and May 1st, 1951. In addition to those present at the first meeting, Mr. W.E. Mosely, Deputy Minister of Municipal Affairs, Nova Scotia, Mr. Paul Hickey, Supervisor, Municipal Auditing and Accounting, Ontario, and Mr. A. Noble of the Research Department, Bank of Canada, also attended.

Terms of Reference, and Scope of Studies and Recommendations

The Committee was set up to review future problems relative to municipal statistics, with the understanding that it would prepare a report which would go to the various provinces for study and thereafter be submitted to another Conference.

The Committee proceeded on the assumption that its terms of reference were the same as those delegated to the Committee of the Fourth Conference, namely as empowering it to reconsider all material placed before the Fifth Conference and to make such recommendations thereon as it might deem necessary; to submit its recommendations to each province for study, but not for amendment before the Conference; and to present these recommendations to the next Conference.

All items referred to the Committee were considered and its recommendations and the results of its deliberations are set out below in Section I. The Committee also discussed matters arising from the Fifth Conference which it was felt required clarification or interpretation, as well as additional problems introduced for discussion by the members. These latter are reported in Sections II and III of this report.

SECTION I

Matters Referred by the Fifth Conference to the Continuing Committee for Further Study

The following items deal with those matters which were referred by the Conference to the Committee for further study and recommendation.

(a) Non-revenue or Surplus Receipts and Non-expense Payments

It was moved and carried that further consideration or study of any action to incorporate such items in the revenue and expenditure classification should be dropped.

(b) General Fixed Assets

The Committee reviewed the developments leading up to the Conference decision on the reporting of fixed assets in the capital and loan fund balance sheet, and the suggested alternative method of reporting only an amount equal to the outstanding debenture debt,

with fixed assets set out in a separate set of self-balancing fund accounts. It was moved and carried that no change be recommended in the procedure envisaged by the Conference decision as was incorporated in the revised Manual.

(c) Object Classification of Expenditures

A sample of an object classification of municipal expenditures prepared by the Bureau of Statistics was examined by the Committee. It was pointed out that it was not the intention of the Bureau to ask the Provincial authorities to compile their statistics on such a basis, but that the classification would merely be made available for use by any municipality desiring to adopt an approved object classification. The Committee agreed that such a classification would serve a useful purpose and that the members should agree to give it further consideration and advise the Bureau of their opinions and suggestions for improvements, with a view to the production by the Bureau of a revised sample for submission to the next Conference. Appendix No.1 to this Report sets out the proposed classification and incorporates the suggestions received from the members of the Committee.

(d) Standardization of Reports

The Fifth Conference approved in principle the desirability of achieving some standardization in the form and content of the annual reports of municipal statistics of the provinces, and agreed that the sample format submitted to the Conference for consideration be referred to the Continuing Committee to determine minimum requirements. The Committee reviewed the suggested form of report in detail and after making some revisions requested the secretary to prepare a revised schedule incorporating these changes and the decisions of the Conference for distribution to provincial authorities. This has been done by the publication and distribution of the document "Proposed Standard Form of Report for Statistics of Municipal Finance". The schedule was again presented in the form of a "model" report at the request of the Committee. It was the opinion of the Committee that the Bureau of Statistics should negotiate with each province on the question of having municipal statistics presented in the detail of classifications, etc. of the proposed form.

SECTION II

Matters Arising from the Fifth Conference Requiring Clarification or Interpretation

Several matters arising from the Fifth Conference were considered by the Committee to require clarification or interpretation for purposes of the revised Manual, and its action in this respect was as follows:

(a) Taxation

Having considered the Conference recommendations and the draft revision of this item for the Manual, the Committee recommended several minor revisions in the wording of the latter in order to clarify it, particularly in its explanation of "Special Assessments (Owners' Share) and Charges".

(b) Recreation and Community Services

It was agreed that the reporting procedures for Recreation and Community Services under both Revenue and Expenditure headings, as set out in the Conference report, should be followed, except that membership dues, admission fees, etc., which are to be classified as "Miscellaneous Revenue" should be set up as a separate sub-item under that heading.

(c) Property Exempt from Taxation

The Committee reviewed in detail the schedules shown in Appendix No. 10, pages 45 and 47 of the Fifth Conference report, together with outlined explanations thereof. These were approved with minor modifications.

(d) Area

Approval was given to a change in Appendix No. 11, page 48, of the Fifth Conference report, which consisted of the substitution for the classifications "111—Land Vacant", and "112—Land Built Upon", of the following:

- 111. Land Built Upon
- 112. Land In Use, Not Built Upon
- 113. Land Not in Use

This item was further clarified by the approval of definitions of the above classifications.

All changes or additions covered in the foregoing have been incorporated by the Bureau of Statistics in the revised Manual which has since been distributed to the proper municipal and other authorities concerned.

SECTION III

Additional Matters Considered by the Committee

(a) Manual of Instructions

Draft revisions for the first 75 pages of the Manual of Instructions were reviewed at the first meeting of the Committee. It was decided that these and further revisions should be sent to the authorities of all provinces for review, which was done.

(b) Preliminary Municipal Statistics, Forms I and II

(i) Revisions of Forms I and II which bring them into line with the revised Manual of Instructions were examined, and the Committee recommended their presentation to a conference, or submission to departments of municipal affairs for consideration. The latter was done and they are now in use.

(ii) The Committee favoured the incorporation in the preliminary forms I and II of a schedule for obtaining information on road and street mileage and expenditures on such public works, so that sampling of these statistics might be improved, the present sample being limited, and so that a duplication of questionnaires might be eliminated.

(iii) The Committee recommended that the Bureau of Statistics choose the municipalities to be surveyed in each province according to good sampling procedure, submit the lists to the departments of municipal affairs for review, and consider comment received.

(c) Currentness of Municipal Statistics

The Committee discussed methods for obtaining statistics of municipal finance at an earlier date than that of the publication of the printed reports. It was agreed that these might be made available by the provincial authorities in advance of the printed reports if totals of data for various schedules and classes of municipalities were submitted to the Bureau of Statistics. Detail would be available later from the printed reports.

Although timing and procedure varied in each of the provinces represented on the Committee it was thought that preliminary figures might be available in July of the following year, and it was agreed that an attempt should be made to make such arrangements with each province. Where these could be made, it might be possible to eliminate the submission of Form I for a sample of municipalities in a province as discussed under the previous item.

(d) Classification of Grouping of Municipalities for Statistical Purposes

It was decided that for statistical purposes municipalities should be classed or grouped as follows:

1. Municipalities in Metropolitan Areas

2. Other Urban

- 15,000 and over
- 5,000 to 14,999
- 2,000 to 4,999
- 1,000 to 1,999
- under 1,000

It was agreed that minimum requirements in the way of statistics for "Other Urban" municipalities below 5,000 in population might be published in total only, while those for municipalities above 5,000 should show the data for each municipality.

3. Other Rural

- Semi Urban
- Other

It was agreed that the minimum requirements for rural municipalities other than "semi urban" might be published in total only; statistics of "semi urban" should show the data for each municipality.

(e) Civil Defence

The Committee agreed that it would be desirable to have information on expenditures for Civil Defence, and grants or recoveries arising from the program reported separately from other revenue or expenditure within the terms of the classification now in use. Thus grants or recoveries should be identified under the revenue item "Contributions, Grants and Subsidies", and the expenditures should be set out separately under the expenditure item "Miscellaneous". Provision for these items should therefore be made in new reporting forms drawn up by Departments of Municipal Affairs. It also recommended that Departments of Municipal Affairs should obtain reports of revenues and expenditures for civil defence boards set up for two or more municipalities.

(f) Reporting of Water and Sewer Activities

The Committee expressed the view that it did not approve of the combined or joint reporting of water and sewer revenues and expenditures, assets and liabilities, where these two services are operated as a single utility unit, and that, regardless of such joint operation, separate financial statements for each service should be prepared.

It was decided that sewer rentals from other municipalities should be classified under "Contributions, Grants and Subsidies".

(g) Survey of Assessment

This survey was reported as partially completed only, due to revision of the Manual and other pressing work. Schedules have since been prepared on which the provincial departments will be asked to comment.

(h) Fire Hydrant Rentals

The Committee discussed various methods of determining fire hydrant rentals. It was decided that the Bureau of Statistics should send enquiries to all the Provinces, the American Waterworks Association, the Municipal Finance Officers Association, and such other sources as might be available, and prepare a summary of the situation. The information desired was as follows:

1. Is there a regulatory body which has power to fix or regulate water rates charged by municipalities or other suppliers of water?
2. Is there a regulatory body which has power to fix or regulate hydrant rentals?
3. On what basis is the hydrant rental or other charge for fire protection determined?

Results of the survey were tabulated and sent out to the departments of municipal affairs.

(i) Bus Mileage Fees

It was decided that bus mileage fees should be classified under "Rents, Concessions and Franchises".

(j) Commutation Funds

It was decided that no definition was required for this item.

(k) Parking Meters

The Committee decided that expenditures for the administration and maintenance of parking meters should be referred to as a special item under "Public Works".

The Committee discussed the matter of furthering Conference recommendations in respect to the following items:

- (a) Implementation of Revised Classifications
- (b) Standardized Provincial Reports
- (c) Grouping of Municipalities in Provincial Reports
- (d) Population

and was of the opinion that the Bureau of Statistics should negotiate with each province in regard to the implementation of these items.

In regard to item (a) several provinces have adopted the revised classifications for 1951 and others expect to do so for 1952.

In regard to item (d), the Committee requested that the proposal of the Bureau at the Conference to furnish a ten year projection of municipal population to aid in checking of local estimates be carried out as soon as possible after the completion of the 1951 census, and that the provincial departments be advised of the method of projection. This projection has since been completed and sent out to the provinces by the Bureau.

Proposed Object Classification of Expenditures For Municipal Governments

Large municipalities	Medium sized municipalities	Small municipalities
1. Personal services: (a) Council indemnities (b) Salaries and wages Salaries (including elected officials) Wages Fees of Office (in addition to salary) Perquisites or allowances of office (in lieu of or in addition to salary) Overtime Bonuses -J Cost of living bonuses -J Honorariums Other (c) Retiring allowances or gratuities (d) Other	1. Personal services: (a) Council indemnities (b) Salaries and wages	1. Personal services: Council indemnities (meetings and supervision) Salaries and wages
2. Other services: (a) Professional services Legal services Medical, dental and allied services Accounting and auditing services Appraisers', Architects and Engineers' services Veterinarian services 2(n)* -J Funeral services Other (b) Fees, commissions, etc. Coroners', jurors' and witnesses' fees Commission for collections 6(a) -J Assessors' fees Purchasing agents' fees or commissions Sinking fund trustees fees Other (c) Travelling expenses Mayor and Council (elected representatives) Municipal employees Other (d) Rentals Land and buildings Motor vehicles (transportation) -J Office equipment Construction and maintenance equipment Other equipment Other (e) Insurance and bonding Casualty insurance Liability insurance Fidelity bonds Fire insurance Other (f) Workmen's compensation (g) Heat, light, power and water (supply -J) services (h) Postage (i) Telephone, telegraph and messengers' services Telephone Telegraph Messengers' services Other (j) Freight, express, cartage and duty Duty Freight and express Moving and cartage Other (k) Other transportation and storage charges Transportation of prisoners Ambulance and armoured car services Other (l) Repair services Highways, roads and bridges Sewers Other Land and buildings Motor vehicles Office equipment Other equipment Ferries, docks and wharves Other	2. Other services: (a) Professional services (b) Fees, commissions, etc. (c) Travelling expenses (d) Rentals (e) Insurance and bonding (f) Workmen's compensation (g) Heat, light, power and water services (h) Postage (i) Telephone, telegraph and messengers' services (j) Freight, express, cartage and duty, and other transportation and storage charges (k) Repair services Highways, roads and bridges Sewers Other	2. Other services: Professional services -B Insurance and bonding -B Heat, light, power and water services -B Repair services

Proposed Object Classification of Expenditures — Continued
For Municipal Governments

Large municipalities	Medium sized municipalities	Small municipalities
2. Other services—Concluded: (m) Advertising Newspapers, magazines and periodicals Radio Other (n) Other Entertainment *Dominion Government Police Other *Provincial Government Police Other Fees for maintenance of prisoners - J2(b) Fees for maintenance of juvenile offenders - J2(b) (Trainees in correctional institutions) Cleaning and exterminating services Linen and laundry services Blueprinting, developing, photographic and photostatic services Subscriptions Memberships and dues Binding Filing, inspection and recording services Banking and financial services Other	2. Other services—Concluded: (1) Other	2. Other services—Concluded:
3. Materials and supplies: (a) Structural materials and supplies Building: structural materials and supplies Electrical materials Plumbing and heating materials Ventilating and air-conditioning materials Painting materials Other (b) Machinery and equipment—Materials supplies and parts Motor vehicles' supplies Motor vehicles' materials and parts Office equipment Other (c) Printing, stationery and office supplies Office supplies Printed stationery and forms Printed reports and bulletins Printing and reproducing supplies Other (d) Food Food and other provisions (e) Clothing Clothing and clothing materials (f) Forage (feeds) Animal forage and supplies (g) Fuel Fuel supplies - J (h) Household cleaning and laundry supplies Cooking utensils and tableware Bedding and other textiles' materials Refrigerating supplies Personal (care - J) items Other household items Cleaning supplies Exterminating and disinfecting supplies Laundry supplies Other (i) Medical, surgical and laboratory supplies Drugs and medicines Dental supplies Optical supplies Hospital and surgical supplies Laboratory supplies Veterinary supplies Other (j) Educational and teaching supplies Text books and other educational supplies (k) Agricultural, horticultural and animal supplies Fertilizer, seed and other agricultural supplies Plants, shrubs, trees, and other botanical and horticultural supplies Harness, horseshoes and other animal supplies Other	3. Materials and supplies: (a) Structural materials and supplies (b) Machinery and equipment—Materials, supplies and parts (c) Printing, stationery and office supplies (d) Food (e) Clothing (f) Forage (feeds) (g) Fuel (h) Household cleaning and laundry supplies (i) Medical, surgical and laboratory supplies (j) Educational and teaching supplies (k) Agricultural, horticultural and animal supplies	3. Materials and supplies: Structural materials and supplies - B Machinery and equipment—Materials, supplies and parts - B

Large municipalities	Medium sized municipalities	Small municipalities
3. Materials and supplies – Concluded: (1) Other Athletic and playground supplies Library and museum supplies Hand tools and hand implements Safety appliances Machine tool parts Household implements Engineering, surveying and drafting imple- ments Other	3. Materials and supplies – Concluded: (1) Other	
4. Property and equipment (By specific projects): (a) Expropriation or Purchase of Land (When not allocated to a Specific Project) (b) Acquisition of buildings Expropriation or purchase Construction by contract Construction by municipality Land Services – Employees of municipality Services – Non-employees and contractual services Materials and supplies Original equipment Other (c) Acquisition of structures other than buildings Expropriation or purchase Construction by contract Construction by government Land Services – Employees of Government Services – Non-employees and contractual services Materials and supplies Original equipment Other (d) Acquisition of equipment Purchase of new equipment Purchase of used equipment (e) Other	4. Property and equipment (By specific projects): (a) Expropriation or Purchase of Land (When not allocated to a Specific Project) (b) Acquisition of buildings (c) Acquisition of structures other than buildings (d) Acquisition of equipment (e) Other	4. Property and equipment (By specific projects): Property – B Equipment – B
5. Contributions, grants and subsidies Note: Omit from here any joint or special expenditures and include under item 7. (a) Utilities and other municipal enterprises and other funds Operating deficits Operating subsidies or grants Share of administration or other expenses Allocations of specific revenues Unexpended balances of appropriations Transfers to reserve funds Other (b) Province Shared revenue contributions Grants-in-aid Highways, roads and bridges Public health Hospitals Unemployed employables Unemployables Other (c) School corporations Tax levies Grants-in-aid and subsidies Other (d) Special districts Grants-in-aid Other (e) Personal benefit and care Contributions to Pension or Superannuation Funds Contributions to Unemployment Insurance Funds Contributions to Health Insurance Fund Contributions to Hospitalization Insurance Fund	5. Contributions, grants and subsidies (a) Utilities and other municipal enterprises and other funds (b) Province (c) School corporations (d) Special districts (e) Personal benefits and care	5. Contributions, grants and subsidies School corporations Special districts Personal benefits and care

Proposed Object Classification of Expenditures — Concluded
For Municipal Governments

Large municipalities	Medium sized municipalities	Small municipalities
5. Contributions, grants and subsidies — Concluded: (e) Personal benefits and care — Concluded: Old age pensions Blind pensions Mothers' allowances Relief allowances — Unemployed employ- ables, Relief allowances — Unemployables Other Hospital fees — per diem rates Other welfare institutions' fees — per diem rates Tuition fees Other (f) Business and industry Capital assistance to private industry Other (g) Private institutions and organizations Grants Other (h) Other	5. Contributions, grants and subsidies — Concluded: (e) Personal benefits and care — Concluded: (f) Business and industry (g) Private institutions and organizations (h) Other	5. Contributions, grants and subsidies — Concluded: Personal benefits and care — Concluded: Other
6. Debt charges (a) Commissions on bond or debenture sales and other charges for management of funded debt (b) Discount (or amount amortized) on bond or debenture sales (c) Funded debt retirement Principal instalments Sinking fund contributions (d) Interest Bank overdraft and temporary loans Guaranteed debt assumed Funded debt Other long-term debt Prepaid taxes Treasury bills Other (e) Loss on foreign exchange (f) Premium (or amount amortized) or loss on sales of securities purchased as investments (g) Other	6. Debt charges (a) Commissions on bond or debenture sales and other charges for management of funded debt (b) Discount (or amount amortized) on bond or debenture sales (c) Funded debt retirement (d) Interest (e) Loss on foreign exchange (f) Premium (or amount amortized) or loss on sales of securities purchased as invest- ments (g) Other	6. Debt charges
7. Reserves and special expenditures — J (a) Reserves and special expenditures (list) (b) Advances Government enterprises and other funds Other governments Other (c) Refunds of previous year's revenue (d) Other Write-offs Other	7. Reserves and special expenditures — J (a) Reserves and special expenditures (list) (b) Advances (c) Refunds of previous year's revenue (d) Other (Elimination of 7(b), (c) and (d) suggested)	7. Reserves and special expenditures — J

SUPPLEMENTARY REPORT
of
CONTINUING COMMITTEE
to the
SIXTH
DOMINION-PROVINCIAL CONFERENCE
on
MUNICIPAL STATISTICS

October 26th, 1953

Ottawa, Ontario
October 26th, 1953

Herbert Marshall, Esq.,
Chairman,
Dominion-Provincial Conference
on Municipal Finance Statistics,
Ottawa, Ontario, Canada.

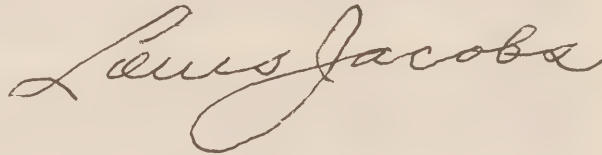
Dear Mr. Marshall:

As I pointed out to you in my communication of this date presenting the report of this Committee on its activities since the previous Conference, the Committee was to meet again on Friday and Saturday October 23rd and 24th, 1953. Attached hereto is a summary of the recommendations which it was decided to make to the Conference.

The members of the Committee had been in communication directly and through the Secretary since the date of their previous meeting, and a number of points were raised. It was felt that these should be discussed at a meeting of the Committee.

I would like to say here that it gave us pleasure to hear that the Committee on Governmental Accounting of the Canadian Institute of Chartered Accountants had been activated, and I wish to thank you for extending an invitation to the Institute to send as a delegate to this Conference a member of that Committee. We welcome Mr. Leslie N. Buzzell, its Chairman.

Yours faithfully,

A handwritten signature in cursive script that reads "Louis Jacobs". The signature is fluid and elegant, with a large, sweeping "L" and a long, trailing flourish at the end.

Chairman,
Continuing Committee.

RECOMMENDATIONS OF THE COMMITTEE

The Committee met in advance of the Sixth Conference to consider a number of problems raised by its members. Many of these were found to be matters of clarification of the explanatory text in the Manual of Instructions. It was decided that some which were questioned were adequate, but that others could be more clearly explained. The Bureau of Statistics, through our Secretary, was asked to make such changes as are necessary.

On questions dealing with actual changes in the classifications of accounts the Committee decided to make the following recommendations to the Conference:

1. That since **amortization of premiums or discounts** on municipal debenture sales would appear to serve no useful purpose, the Committee recommends that the Conference go on record as stating that such action is not recommended, and that such a statement be affixed to the classifications affected.

2. That the **classification of Capital Fund Liabilities** be amended by the elimination of Item 12, "Drainage (Other than General)" and Item 13, "Local Improvements" in order to make the classification in Item 1 strictly functional, and further recommends that indication of the amount of debenture debt which is recoverable from benefitting properties through frontage taxes or rates be provided for at the end of the classification in a footnote in the same manner that contingent liabilities are often shown on a balance sheet.

3. That the **classification of Sinking Fund Assets** be amended by combining under one item the present items 5 and 7.

4. That the **revenue and expenditure classification** be amended to indicate that profits on sale of property acquired for taxes when taken into revenue of the current year (when permitted by law) should be reported under Item 10, Miscellaneous and shown separately; that in a similar manner losses should be charged to Item 14, Miscellaneous, in the Expenditure classification; and that the explanation for Item 5 Revenue Fund Surplus Account, be modified by the addition of the words "if credited or charged directly to surplus" after the words "property acquired for taxes".

5. That expenditures for street signs and house numbering be classified under Item 3, Public Works in the Expenditures.

6. That the title of Items 15 in the **Revenue Fund Assets classification**, and 14 in the Revenue Fund Liabilities classification be changed from "Due From (to) Other Funds" to "Due From (to) Other Funds and Activities".

7. That the Conference define the terms of reference of the Continuing Committee, and in particular as to its power to act in dealing with periodic revisions of the classifications and form of presentation of municipal accounts which have previously been determined by Conference and published in the Manual of Instructions.

The Committee recommends that the Conference consider the method of reporting the following items:

1. Expenditures for slum clearance.
2. Expenditures for the acquisition of land for housing projects.
3. Expenditures on conservation or contributions to conservation authorities.
4. Offstreet parking—revenue, expenditure, asset, liability.
5. Parking meters—asset and liability, capital expenditure.
6. Housing, cemetery and airport transactions where no separate accounts are maintained.
7. Federal health grants.

The attention of the Conference is also drawn to the following:

1. The desirability of revising the utility expenditure statements to show operating surplus before capital expenditures and principal debt retirement.
2. The necessity to revise the descriptive text on municipal populations to bring it into line with the practice followed in the latest Census of Canada.
3. Certain changes mainly of an editorial nature in the Municipal Accounting Terminology as set out in the Manual of Instructions.
4. The desirability of having Investments of capital and loan funds reported separately and the aggregate thereof reflected separately in published statistics.
5. The desirability of being able to identify separately, liabilities to other governments and government agencies which would be reported as "Other Long-term Indebtedness" in the capital and loan fund balance sheet.

EXCERPTS
from
REPORT OF THE
CONTINUING COMMITTEE
to the
SEVENTH
DOMINION-PROVINCIAL CONFERENCE
on
MUNICIPAL STATISTICS
September 15, 1958

August 26, 1958

Mr. Walter E. Duffett,
Chairman,
Dominion-Provincial Conference on
Municipal Statistics,
OTTAWA, Ontario.

Dear Mr. Duffett:

I have the honour to present to you the Report of the Continuing Committee which was appointed by the Sixth Dominion-Provincial Conference on Municipal Statistics, held in Ottawa October 26th - 28th, 1953.

The membership of the Committee was as follows:

L. Jacobs	Deputy Minister, Department of Municipal Affairs, Saskatchewan, Chairman of the Continuing Committee.
J.D. Baird	Supervisor of Municipalities, Department of Municipal Affairs, British Columbia.
F.G. Blake	Supervisor, Municipal Auditing and Accounting, Department of Municipal Affairs, Ontario.
U.J. Harrington	Municipal Commissioner, Department of Municipal Affairs, Nova Scotia.
J. C. McGee	Director, Quebec Bureau of Statistics, Department of Industry and Commerce, Quebec.
C.W. Powell	Deputy Minister, Department of Municipal Affairs, Newfoundland.

J.H. Lowther, Director, Public Finance and Transportation Division, Dominion Bureau of Statistics, and J.E. Howes, Special Assistant, Research Department, Bank of Canada, were appointed as ex-officio members.

The Committee's terms of reference and its recommendations are set out in the accompanying report.

The Committee held four meetings in Ottawa.

The first meeting: November 19th - 23rd, 1956:

With Mr. Herbert Marshall in the Chair, Mr. Jacobs of Saskatchewan was elected Chairman of the Committee. Mr. G.A. Wagdin was elected Secretary to succeed Mr. J.H. Lowther.

In addition to the Committee, the following were present:

J.A. Barclay	Dominion Bureau of Statistics.
S.J. Kelly	Department of Municipal Affairs, Toronto.
D. McQueen	Bank of Canada.
D.H. Clark	Federal-Provincial Relations Division, Municipal Grants Section, Department of Finance.

Mr. Clark appeared before the Committee to discuss Committee recommendations with respect to assessed values of property exempt from taxation in relation to property on which the Government of Canada makes payments in lieu of taxes.

The second meeting: April 15th - 18th, 1957:

At this and subsequent meetings Mr. F.G. Balfour, Chief Inspector of Accounts, Local Government Division, Department of Municipal Affairs and Supply, Newfoundland, represented Mr. C.W. Powell. In addition to the Committee the following were in attendance, J.A. Barclay; L. Savard, Department of Trade and Commerce, Quebec; R. Blouin, Department of Industry and Commerce, Quebec; and members of the staff of the Dominion Bureau of Statistics.

The third meeting: October 28th - 31st, 1957:

In addition to the Committee the following were present: J.A. Barclay; W.A. McKay, Research Department, Bank of Canada; L. Savard and R. Blouin. Mr. J.D. Baird, member of the Committee from British Columbia, was unable to attend due to illness.


The fourth meeting: April 28th - 30th, 1958:

At this meeting it was announced that Mr. J.E. Howes representing the Bank of Canada on the Committee as an ex-officio member, had retired from the Bank and Mr. David McQueen was appointed as his successor.

A great deal of thought and study has gone into the accompanying report and the Committee recommends that it be most carefully considered at the forthcoming Conference.

The Continuing Committee would like to take this opportunity to express its appreciation of the continuing efforts which have been made by the Dominion Statistician and other officials of the Dominion Bureau of Statistics to advance the study of uniformity in governmental accounting.

Yours faithfully,

A handwritten signature in dark ink, reading "Louis Jacobs". The signature is written in a cursive, flowing style with a large, prominent "L" and "J".

L. Jacobs, Chairman,
Continuing Committee.

RECOMMENDATIONS OF THE COMMITTEE

The Committee has examined extensively the problems of financial reporting by units of local government as they have developed since the preparation of the last edition of the Manual of Instructions and since the previous Conference in 1953. It was decided to recommend to the Conference a number of changes of considerable magnitude, many of which affect detail, and to make recommendations on some problems which are new or were not dealt with specifically before.

RECOMMENDATION NO. 1

The Committee recommends that:

(a) **The Conference request that a new edition of the Manual of Instructions be prepared by the Dominion Bureau of Statistics** incorporating such of its recommendations as may be approved, or approved as amended by the Conference, and such other recommendations as the Conference may make;

(b) The Conference authorize and instruct the Dominion Bureau of Statistics, in preparing the new Manual, to **revise the explanatory text and the order of contents**, with proper cross references so as to present existing, revised and new material in readable and usable form.

(c) **The new edition to be prepared as quickly as possible.**

(d) The Conference, by resolution, suggest and request of the Dominion Bureau of Statistics **a policy of distribution of the Manual to municipal treasurers and auditors.**

RECOMMENDATION NO. 2

The Continuing Committee recommends that the Seventh Dominion-Provincial Conference approve the practice of accounting for capital transactions in a set of financial statements separate and apart from those used for current transactions and further, that "capital" accounting should be on an accrual basis. The reasons given for recommending the use of a statement of **source and application of Capital and Loan Funds** were:

1. Proper accounting procedures for capital financing and reporting in detail to recognized classifications (as to statistical presentation) has been neglected up to this time and need to be "firmed up".
2. There is a need for municipalities to report all capital financial transactions in a standard, systematic and detailed manner.
3. Fixed assets should be recorded and reported according to recommended procedures.
4. Capital and Loan Fund transactions, in dollar value, comprise a very large portion of the financial activity of all municipalities who should be required to disclose detailed analysis of the annual activity of the fund.
5. There are advantages in determining each year, in terms of assets acquired, the total capital expenditure on any function or activity.
6. The employment of a statement of source and application of capital funds could facilitate capital budgeting and, as a result, capital investment could be estimated more accurately.

RECOMMENDATION NO. 3 - Accounting for Municipal Enterprises and Other Self-accounting Activities

The Committee recommends: That the financial relationship with municipal enterprises (including utilities) should be reflected in the "Revenue and Expenditure Account (General Section)" at the amount of deficit or surplus absorbed. The deficits of other activities separately accounted for should be functionalized.

Surveying the field of municipal operations and of municipal accounting, there would appear to be the following activities.

1. General
2. Special operating funds for special functions
3. Boards and commissions to which administration of special activities has been assigned.
4. Utilities and enterprises
5. School authorities
6. Special district authorities

A general explanation of principles behind this suggested grouping of municipal enterprises and other self-accounting activities is set out elsewhere in this report and entitled, "Explanation and Definition of Government Enterprises in Relation to Other Government Activities".

RECOMMENDATION NO. 4--Balance Sheets of Municipal Enterprises and Other Self-accounting Activities

In line with Recommendation No. 2 re capital and current account transactions in the General Section, the Committee recommends that all self-accounting bodies, such as boards and commissions to which administration of special activities has been assigned, all utilities and enterprises, all school authorities and all special districts, should prepare separate sets of statements for current and capital account transactions, on the accrual basis, as well as for reserve funds and sinking funds. The Manual should contain appropriate pro forma statements incorporating these features, but conforming in form and classification as closely as possible to those recommended by authorities in the various fields.

The balance sheets of these bodies should show the debenture debt issued by the municipal corporation on their behalf (over and above that issued by themselves) as debenture debt, not as "Due to the Capital and Loan Fund for Debentures".

The operating statements of these bodies should be designated **Statement of Revenue and Expenditure** rather than "Income and Expenditure Account"; and there should be for each a Statement of Source and Application of Capital and Loan Funds.

The statements to be recommended in the Manual for utilities and enterprises are specimen statements for use by municipalities where no specific statement is required by provincial authorities.

RECOMMENDATION NO. 5--Combined Balance Sheet

The Committee recommends that the form of Combined Balance Sheet presently contained in the Manual be dropped and that it be replaced by two 'combined' balance sheets: (1) a combined capital and loan fund balance sheet; and (2) a combined revenue (current) fund balance sheet. It has been submitted to the Committee that the present Capital and Loan Fund Balance Sheet violates the principle of separate fund accounting by serving in effect as a form of consolidated capital and loan fund; and that it is unduly complicated because of the numerous interfund items, and the sub-sequent use of the "debt charges recoverable" device in Revenue and Expenditure Account (General Section).

It is suggested that "General" and all other funds of a municipality be divided into capital and current sectors. This is presently true of the General section for balance sheet presentation. The same does not wholly apply in the presently recommended form of utility balance sheet, and the situation is explained in the opening paragraphs on page 119 of the Manual, namely that, while in some municipalities the capital and current balance sheet statements are separate and self balancing, in others they are not, the balance sheet being so presented in the Manual is to be adaptable to either practice. If

balance sheets are to be consolidated on current and capital bases, it would appear that the Manual would have to insist on separation of the balance sheet recommended for utilities into current and capital balance sheets. Such a recommendation would perhaps be complicated by the Committee's Recommendation No. 4 that "---the utility statements in the Manual of Instructions were pro forma for use by municipalities where no specific statement is required by provincial authorities". If a specific statement required by provincial authorities did not separate capital from current, it would be difficult to divide them for inclusion of the information in the proposed capital and current consolidated balance sheets, and the Conference perhaps should recommend change to a divided balance sheet where provincial authorities require otherwise.

The income and expenditure statements of utilities illustrated in the Manual should be supplemented by statements of source and application of capital funds in order to account for changes in capital assets and liabilities shown in a balance sheet separate from current assets and liabilities.

Proper trust funds would not be included in these combined statements.

RECOMMENDATION NO. 6 — Debt Charges Recoverable

The Committee recommends that where debt charges are "recoverable" from the municipalities' own enterprises and certain self-accounting boards they should not be reported in general section revenue as "Debt Charges Recoverable", and in expenditure as "Debt Charges", as this tends to inflate revenue and expenditure. The debt charges of enterprises and boards should be reported as their own expenditures. When handled through general account, they should be treated as receipts and payments.

Where debentures are issued on behalf of other authorities (as distinct from other funds), and debt charges are recovered, such debt charges should be netted against gross debt charges, preferably with the offset shown on the expenditure side of the revenue and expenditure statement. This procedure presents debt charges in the general section expenditure at the amount chargeable to general section revenues.

Future debt charges — i.e. Schedule 4, page 174 of the Manual, should be shown gross less recoverable or estimated recoverable, so as to show the net to be payable from ordinary revenues.

RECOMMENDATIONS NO. 7 TO NO. 90

General Recommendations of Changes of Classification, Forms, Exhibits and Terminology the details of which are not reproduced here.

MEMORANDUM RE: ASSISTANCE TO LOCAL GOVERNMENT

As a result of Resolution No. 8 of the Sixth Dominion-Provincial Conference, the Dominion Bureau of Statistics obtained data from the Provinces in respect of grants, subsidies, shared-cost and other contributions to municipalities within their jurisdiction.

A memorandum was drafted under date of November 1, 1955 summarizing the collected information and including brief descriptions of the bases on which the various grants and assistance programs were calculated or distributed at that time.

The analysis revealed the many instances of variations in approach and methods, too numerous to list in this Review; but it is important to know that the differences exist and that it is a constantly changing subject of study.

APPENDIX 1

Report of the Continuing Committee to the Seventh Dominion-Provincial Conference on Municipal Statistics

Explanation and Definition of Government Enterprises in Relation to Other Government Services

The services of government are diverse in their nature and are carried out by means of, or through, varied types of organization. For statistical purposes uniform groupings and classifications of these services are needed, and these will not necessarily follow the organizational divisions used by any one government or group of governments. Unfortunately there is no universal or even consistent pattern to follow and therefore one must be created.

Certain government services are general in their nature and are common to most governments. Usually these are financed from the ordinary revenues of the government (or from borrowed funds repayable from the ordinary revenues). They are, in another sense, financed by taxes and other levies which do not necessarily come from the persons using or benefiting from the service in the proportion of use or benefit obtained. Examples of such general services are "protection to persons and property", "public works", "national defence", basic "health" and "social welfare" and public "education". For purposes of uniformity and comparability in public finance statistics, it is suggested that all such general services should be grouped together, and all others of different nature separated from these.

It is the word "nature" which is the key to the division, and any consideration of type or organization must be put aside in classifying the data. Therefore, certain government services of a general nature which operate under some plan which takes them out of the direct general government field and its accounts must, for statistical purposes, be brought back in. This is true whether they be designated as Crown corporations, as boards, as agencies or whatever legislation may dictate.

Certain other activities of governments have quite different characteristics. These activities are those which produce goods and services for sale to the government or on the market, making a direct charge for the goods and services which is intended to compensate largely or wholly for the cost, or to yield a profit. Usually the activity is entrusted to a special organization for administration, which obtains its capital funds by loans from the government or share capital subscribed by the government, or by outside borrowing guaranteed by the government. There is, therefore, often a considerable degree of financial and administrative autonomy.

These government activities are not general in their nature, and are not common to most governments, though they may be common to most governments of a certain level. It is best, therefore, that they should be reported separately from general services in any statistical presentation, grouped as may be appropriate. Separate reporting of these will facilitate the preparation of uniform and comparable statistics. Even where there is no financial and administrative autonomy such activities should be withdrawn from the general statistics and incorporated into the reports with those which are not general in nature.

It should be emphasized, therefore, that it is not the type or organization which determines the statistical grouping, but rather the "nature" of the service.

In view of the conclusion that the nature of the service is the key factor, it matters little, though it may be indicative, how an activity is financed or administered when determining whether it is "general" or not "general". Whether it be administered directly by the executive or by an executive department, or whether it be set up as a Crown corporation, an agency, a fund, a board, a corporation or a commission, is a secondary consideration. "Nature" is the overriding criterion, and if the nature of the activity is not clear cut, there may have to be a division, or an arbitrary allocation.

Therefore, for statistical purposes, activities of governments should be divided into two categories, "general" and "other", and published financial data be adapted and transferred accordingly. As "other" is hardly a firm enough title to apply to those activities of government which are not of a general nature, further elaboration and definition is required.

Certain of these activities are of an outright commercial nature, and may compete with or be monopolies replacing private enterprise, such as the provision of transportation, of power, of financial services, and so on.

There is also a field of services which is not usually looked upon as being of the nature of commercial enterprise, but which nevertheless charges for services rendered, such as hospitals, homes for the aged and universities, which are operated by both governments and by private, lay and religious bodies. These are often categorized under the broad title of "institutions". The commonly accepted use of this term is very broad, and takes in many government activities which do not charge for services, such as veterans' hospitals, penitentiaries, alms houses, and so on. This latter type, though institutions, provide a general service, such as health care, available to all and paid out of taxes, and therefore have a great deal in common with general government activities, and for statistical purposes, should be included in "general" government statistics, while the institutions charging for services should be set aside as a part of "other".

"Other" should then be divided into commercial enterprises and institutional enterprises.

Therefore, public finance statistics may be categorized as follows:

1. General government activities
2. Government enterprises:
 - (a) Commercial enterprises
 - (b) Institutional enterprises

Number 1 would include the routine general government services, administrative or special funds, and non-self-supporting, non-fee-charging institutions. (Incidental revenues, such as sale of products manufactured in penitentiaries, would not be considered as making an institution an "institutional enterprise". Such revenue would be shown at the gross stage in statistics, and be offset against expenditure to arrive at net statistics).

Number 2 would include all activities whose major function is the provision of goods or services on a profit, self-sustaining or fee-charging basis, which benefits are ordinarily provided by non-government organizations. This section would be sub-divided into:

- (a) those whose activities are of a commercial or financial nature; and
- (b) those whose activities are of an institutional nature.

"Enterprises" would be so classified whether or not entirely self-supporting, and whether reporting on the financial state is (i) separate from the government's general financial report, or (ii) included in general government activities. If (ii) applied, in a statistical presentation the revenues and expenditures of the enterprise would be lifted out of the general accounts at both the net and gross stage, with only the net difference remaining. This would affect municipal finance statistics in a large number of instances, though most commercial enterprises and many institutional enterprises are already reporting separately from the general section of municipal accounts. It would affect a very limited number of provincial government enterprises, most of which are already self-supporting.

It should again be emphasized that these definitions would affect statistical presentation, not government organization and public accounts presentation.

APPENDIX 2

Report of the Continuing Committee to the Seventh Dominion-Provincial Conference on Municipal Statistics

Methods Used by Municipalities to Make Intercensal Estimates of Population

The following Resolution was passed by the Sixth Dominion-Provincial Conference on Municipal Statistics:

RESOLUTION No. 7:

WHEREAS at this Sixth-Dominion-Provincial Conference on Municipal Statistics consideration has been given to the question of obtaining intercensal estimates of population for municipalities;

AND WHEREAS there is a recognized need and use for such statistics;

AND WHEREAS not all municipalities in all provinces at present prepare intercensal estimates of population;

THEREFORE BE IT RESOLVED: That the Dominion Bureau of Statistics ascertain from each province the system or method employed by its municipalities in making intercensal estimates of population and summarize the results for distribution to the provincial authorities concerned.

Replies were received from all provinces (except Prince Edward Island which has no Department charged with collecting municipal Statistics) and these indicated such a variation of approaches that it may be best to set out each as stated.

NEWFOUNDLAND

We have no generally accepted method by which municipalities make intercensal estimates of population. In those municipalities where property taxes are imposed, the common procedure in determining an estimate of population is to multiply by five the number of occupied residential properties as contained in their assessment rolls. The only means we have of checking these estimates is by reference to the records of our Supervisor of Assessments—part of whose responsibilities is to ensure that local appraisements are complete and properly classified. In those municipalities where the property tax is not imposed estimates of population are generally taken to be four times the number of persons liable for the municipal poll tax. Since poll tax lists are not verified by this Department we have no means of checking these estimates.

The estimates are published in the Department of Municipal Affairs and Supply's "Annual Report on Local Government Division" along with the figures of the last Census of Canada.

NOVA SCOTIA

No system or method for obtaining intercensal estimates of population of municipalities.

NEW BRUNSWICK

Early each year the municipalities are requested to show on a form on which they report their budgets the population at the time of the last census and an estimate of population for the current year.

The estimates are published in the Department of Municipal Affairs "Annual Report of Municipal Statistics", along with the figures of the last Census of Canada.

QUEBEC

On June 1st, 1957, the total population of the Province of Quebec, according to the figures reported by the municipal secretary-treasurers, was 4,771,500, that is, 4,653,716 in organized municipalities and an estimated population of 117,784 in unorganized territory.

The estimates are published in the Quebec Bureau of Statistics' "Municipal Guide".

ONTARIO

A population census of each municipality is made annually, as required by the Assessment Act, by the assessors by house to house visits while the assessment is being made. A pamphlet is provided to assessors setting out the rules to be applied in making the count, which is as of the time of the assessor's call.

This "assessed population" is published in the Department of Municipal Affairs "Municipal Directory", and in its "Annual Report of Municipal Statistics", the "Directory" being the first to appear.

MANITOBA

The Department of Municipal Affairs discarded some years ago as not reliable any method of the municipalities submitting estimates of population. Census of Canada figures are regarded as sufficiently accurate for all practical purposes since to date annual changes of population in Manitoba have not been material.

Estimated figures appear in some financial statements, but no method is specified; no check of their accuracy is made; and they are not published by the Department of Municipal Affairs.

The City of Winnipeg publishes annually in its "Municipal Manual" a figure entitled "Population as shown by Assessment Records", and this figure appears in its "Annual Reports", and in some years other Manitoba cities appear to take a census when assessing or preparing city electoral lists.

SASKATCHEWAN

A number of municipalities continue to use the Census of Canada figures from year to year and make no estimate or count whatsoever. Others increase or decrease, depending on what they think has actually taken place—people moving in or out of the municipality or businesses established or moved away. Still others endeavour to ascertain the population by checking it against the assessment roll and others by counting the number of people registered under the Hospitalization Scheme.

The method used in the Department is based on the last census figure available. If the population of a municipality increases or decreases by a substantial number from the last census, it may be adjusted to around 5% unless it is known that some unusual circumstance has affected that particular municipality by reason of an industry having been established or closed down, or a village or town may have been erected or disorganized and a portion of its residents become incorporated within the boundaries of a neighbouring municipality.

These estimates are published annually in the "Annual Report" of the Department of Municipal Affairs.

BRITISH COLUMBIA

The Municipal Act of 1938 provided for a quinquennial census, but the section became inoperative. The Department provides in its returns for an estimated figure. In making this estimate, the majority of municipalities multiply the number of water connections by a factor such as 3.5. Some others relate the school population and changes therein to the latest Census of Canada figure. Some smaller municipalities take an annual count. Some guesses are submitted. If the figure submitted appears reasonable to the Department it is accepted.

These estimates and the latest Census of Canada figures are published in the Department of Municipal Affairs' annual publication "Municipal Statistics".

PART IV

EXCERPTS FROM THE
MUNICIPAL FINANCE REPORTING MANUALS

EXCERPTS

from the

MANUAL OF INSTRUCTIONS

Published by the Dominion Bureau of Statistics
in 1942 as a Result of the First, Second and
Third Dominion-Provincial Conferences on
Municipal Statistics

INTRODUCTION to the MANUAL OF INSTRUCTIONS
published by the Dominion Bureau of Statistics
in 1942 as a result of the First, Second and Third
Dominion-Provincial Conferences on Municipal Statistics.

INTRODUCTION

One of the objectives of the Dominion-Provincial Conferences on Municipal Statistics was the standardization of municipal financial reporting throughout Canada, not only to the public at large but also to the Provincial Departments of Municipal Affairs or other authorities, which in turn would also make possible the procuring of comparable municipal statistics on a provincial basis. The schedules for reporting balance sheet information, revenues and expenditures and other financial data relating thereto, as adopted at the December, 1940, Conference, were developed with these objectives in mind and the purpose of this Manual is to explain the application and use of these schedules. At the same time provision is made in the Manual for a breakdown of municipal financial statistics and activities which will permit comparisons and consolidations to be made of financial statistics on a national scale, including the finances of Dominion, Provincial, and Municipal Governments.

Modification of Forms for Smaller Units

It is pointed out in this regard that the form and content of the financial statements and supporting schedules are designed to cover the activities of the largest type of municipality. Considerable scaling down and simplification will necessarily have to be made in the forms put into use for the smaller municipalities, and also for municipalities of different type or character. For instance, some modification will no doubt be required as between the forms for use by towns and villages in some provinces, as well as in those for townships or rural municipalities of different sizes. These facts should be given due recognition in the use of this Manual, and it should not be inferred that smaller municipal units are expected to have their financial reports prepared on such an elaborate basis. Further, it will be noted that many of the forms or schedules do not apply to all municipalities; reference to this fact is made later on in connection with the system employed in indexing the exhibits and schedules. However, in the course of any simplification or modification that may be necessary, the basic principles laid down for the preparation of the general statements must be carefully followed. With this in mind, it is the intention of the Finance Branch of the Dominion Bureau of Statistics to co-operate with Municipal Affairs officials of each of the provinces in designing forms and schedules for use by the different classes or types of municipalities. In this way both the local and provincial requirements for municipal financial statements will be adequately provided for, while at the same time the principles of uniformity on a national basis, which is an all-important and essential factor towards improvement in municipal administration and in the field of public finance statistics, will be maintained.

Municipalities Affected

This Manual applies to all units of local government as they exist and are known in the several provinces, as shown in the following table.

MUNICIPALITIES IN CANADA, 1940, CLASSIFIED BY PROVINCES

Province of	Cities	Towns	Villages	Total Urban	Rural	Total Local Municipalities	Counties	Total Incorporated Municipalities
P.E. Island.....	1	7	—	8	—	8	—	8
Nova Scotia.....	2	43	—	45	24 ¹	69	2	69
New Brunswick....	3	20	2	25	15 ²	40	4	40
Quebec.....	26	108	311 ³	445	1,054	1,499	76 ⁴	1,575
Ontario.....	27	148	156	331	571 ⁷	902	38 ⁵	940
Manitoba.....	4	36 ⁶	22	62	111	173	—	173
Saskatchewan.....	8	82	384	474	302	776	—	776 ¹⁰
Alberta.....	7	53	145	205	143 ¹¹	348	—	348 ¹²
British Columbia..	33	—	19	52	28 ¹³	80	—	80
Totals.....	111	497	1,039	1,647	2,248	3,895	114	4,009 ¹⁴

¹ Officially known as "Municipalities".

² Nova Scotia has 18 counties, 12 of which each comprise *one* municipality and 6 are divided into *two* municipalities each, making the total of 24 rural municipalities. Counties, as such, do not represent local units of self-government.

³ Officially known as "Counties".

⁴ New Brunswick has 15 counties which are incorporated municipalities and have direct powers of local self-government comprising the rural areas; they are thus classed herein as "rural".

⁵ In provincial reports these are classed as "rural".

⁶ Although being incorporated municipalities, each county is comprised of the villages and rural municipalities situated therein, which provide the necessary funds for the services falling within the scope of county administration.

⁷ Officially known as "Townships".

⁸ Although being incorporated municipalities, each county is comprised of the towns, villages and townships situated therein, which provide the necessary funds for the services falling within the scope of county administration. Geographically, there are 43 counties, but 5 are united with other adjacent counties for purposes of administration.

⁹ Includes Flin Flon Municipal District and 5 units of self-government officially known as "Suburban Municipalities".

¹⁰ Excludes 84 "Local Improvement Districts".

¹¹ Officially known as "Municipal Districts".

¹² Excludes 246 "Improvement Districts".

¹³ Officially known as "Districts".

¹⁴ See footnotes ¹⁰ and ¹².

Thus the use of the word "municipality" throughout the text of the Manual applies in a general sense to all units of local government. There are instances, however, where its meaning conforms to the legal definition or common usage in some provinces.

Tax or Rate Roll

Some confusion may exist as to the use of the term *tax*, or *rate roll* in the text. It refers to the book(s), record(s) or list(s) used by municipalities in any province in which is entered the amount of taxes levied against each taxpayer or property in any year. Sometimes the tax roll and the assessment roll may be combined.

Fund Reporting

The schedules and accompanying instructions embodied in this Manual are predicated on the fundamental principle of separate fund accounting,

namely, that the financial position and operations of each different fund (or activity) are reported separately. Generally speaking, the financial transactions of municipalities may be segregated into separate and distinct groups, being those relating to: (1) Capital and Loan Fund; (2) Sinking Fund; (3) Revenue Fund; and for many of the larger cities and towns (4) Trust Fund. While a number of special funds such as reserve funds, pension funds, insurance funds, working capital funds, etc., may also be found in some of the larger municipalities, such, for the most part, are not of general application.

In addition to the foregoing, and from the standpoint of the municipality as a unit, schools, and utility, housing and cemetery enterprises also constitute separate funds. But note that this applies only from the standpoint of the municipality as a unit, because each of these enterprises or activities may in turn account for their financial situation on the basis of the three or four *principal funds* referred to above. This point is illustrated in the Manual by the use of the qualifying words "General Section" in the title to the statements wherever such apply to the strictly municipal transactions.

"Utilities", as referred to in the foregoing, applies to all such services rendered by the municipal corporation regardless of the legal definition or constitution thereof. For instance, in some municipalities the management and operation of municipal ~~utility~~ enterprises is generally, but not always, entrusted to a local board or commission which is duly constituted as a corporate entity separate and apart from the municipal council but nevertheless created by the parent municipal corporation. In other municipalities these same ~~utility~~ services are provided but the management and operation thereof is carried out by the municipal council. That is to say, while one municipality may have a *Water Commission* or *Board of Water Commissioners*, or a *Public Utility Commission* including both a Water Supply System and an Electric Light and Power System, a neighbouring municipality may still provide these same services to its citizens and yet have no such "board" or "commission" vested with powers of management and operation. While such variations occur, they are merely incidental to the services provided which are of an identical nature in both instances. Thus, all utility enterprises, as well as housing and cemeteries, irrespective of the method employed in the management and operation, or control of these activities, are considered as separate *funds*, the transactions of which should each be accounted for and reported separately from ordinary municipal activities. This is essential, not only for the accurate interpretation of financial statements and reports, but also for uniformity and comparability in municipal statistics.

Hospitals, libraries and parks, when administered by a duly constituted board or commission, should also be treated on this same basis. See pages 128 and 129 of the text for further information in this regard.

Reporting School Finances and Operations

In so far as Schools are concerned, while the same principles of separate fund accounting and reporting should be followed, no provision is made in the Manual for the financial statements reflecting school activities. The main reason for this is that the Conferences on municipal statistics

did not deal with the problem of financial statements of school authorities as responsibility in this regard lies mainly with the Provincial Departments of Education. The whole matter of educational statistics has, however, been the subject of separate conferences convened by the Bureau and it is anticipated that final action on the question of school financial statements will be taken in the near future. Another reason, however, is that there is no common basis or uniformity of practice in the financial administration of schools in relation to local municipal organizations; and this applies not only as between the several provinces but also within most of the provinces as well. In some instances school areas conform with municipal boundaries and the municipality levies and collects the school taxes and issues all debentures and effects other borrowings for and on behalf of local school authorities. In others, while the municipality may levy and collect the taxes, the local school authorities issue their own debentures and incur other debt direct; and in still other instances all financial administration, including the levy and collection of taxes, is carried out directly by the school authorities independently of the local municipality. In many of the latter instances, school areas do not conform to municipal boundaries. Thus, municipal reports generally would reflect only a small part of the financial administration of school authorities in organized areas, in addition to which there are, in some provinces, schools in unorganized areas which must also be taken into account.

However, where the local municipal authorities are responsible for reporting school finances, *separate* balance sheets and statements of revenue and expenditure, etc., should be included in the municipal report, on the basis prescribed for miscellaneous local authorities in pages 126 to 129 of the Manual.

Changes in Accounting and Reporting Procedure

It will be inferred from the foregoing remarks concerning separate *fund* reporting that the basis outlined in this Manual will naturally involve some changes in the accounting and reporting procedure now followed in many municipalities. Officials should keep this in mind in studying the financial statements and instructions relating thereto and endeavour to visualize the variation in practice, if any, which may be necessary in respect of each and every item. Particular attention should be given to inter-fund balances (i.e., amounts due from or to other funds, or local authorities) and care should be taken to see that these are in balance as between the different funds affected.

Other Financial and Statistical Statements

While the financial statements provided for in this text represent the basic requirements of the average municipal report, to the extent that such may be applicable, they by no means represent the maximum in that regard; on the contrary, they may be considered as minimum requirements. Additional schedules supporting balance sheet or revenue and expenditure accounts may also be included, depending on the requirements of interested parties and the desire of the officials to publish reports which will be as useful and informative as possible. Some additional statements recommended, the content of which would depend on the size and type of the municipality concerned, are as follows:

1. Budget Operations—Estimated and Actual.
2. Sinking Fund and Other Investments:
 - (a) Book Value, Cost and Market Value.
 - (b) Sinking Fund Investments and Sinking Fund Debentures by years of maturity.
3. Cash Receipts and Payments (by funds).
4. Insurance Policies in force, including indemnity bonds on officials.
5. Municipal Employees (by funds):
 - (a) Number
 - (b) Salaries or Wages paid.

Also, many tables of a purely statistical nature may be included, in which regard there is shown in Appendix "C" of this volume the schedules of General Statistics which were adopted by the Dominion-Provincial Conferences on Municipal Statistics. The inclusion of any of these additional financial or statistical statements will considerably enhance the value of the published financial report.

Indexing Statements in Report

As balance sheets, surplus (deficit) accounts, and revenue (or income) and expenditure accounts constitute the principal financial statements in a report, it will be noted that these are referred to as "Exhibits", while the supplementary statements showing detail in support of items appearing in those statements are referred to as "Schedules". This is another step towards uniformity by which it may be possible to establish common usage of such reference terms. It will also be noted that designating letters (a), (b), etc., are used in conjunction with some of the *exhibits* and *schedules*, such as Exhibit II (a) on page 17, or Schedule 1 (a) on page 132. This is done because the statements in question do not apply to all municipalities; and one or all of these statements may be omitted from any report without disturbing the sequence of numbering of the other statements which are of general application.

Codification of Items

Reference should also be made to the fact that the various items are numbered independently in each statement. There is no intended correlation between items bearing the same numbers but appearing in different statements, although such may occasionally occur. The system of numbering items in the statements was employed mainly for the purpose of facilitating reference thereto, both in the Manual and elsewhere. It is intended, however, at some future date to give consideration to the development of a standard system of codification of assets, liabilities, revenues, and expenditures which may be adapted to the needs of any municipality.

Acknowledgments

In the course of preparing this Manual, many texts, reports, and forms devoted to similar or related matters were frequently referred to for both general and technical guidance; . . . This wealth of reference material was extremely helpful and the use thereof is gratefully acknowledged.

A Listing of Financial Statements of Municipal Corporations developed for THE MANUAL OF INSTRUCTIONS published by the Dominion Bureau of Statistics in 1942 as the result of the First, Second and Third Dominion-Provincial Conferences on Municipal Statistics.

FINANCIAL STATEMENTS

Balance Sheets

* Combined (all funds).....	
* Capital and Loan Funds.....	
* Sinking Fund.....	
* Trust, Reserve and Agency Funds.....	
* Revenue Fund.....	
Public Utilities.....	
Housing.....	
Cemeteries.....	
* Miscellaneous Local Authorities.....	

Guarantees and Contingent Liabilities.....

Surplus (Deficit) Accounts

Revenue Fund.....	
Public Utilities.....	
Housing.....	
Cemeteries.....	
Miscellaneous Local Authorities.....	

Revenue (or Income) and Expenditure Accounts

* General.....	
Public Utilities.....	
Housing.....	
Cemeteries.....	
Miscellaneous Local Authorities.....	

SUPPLEMENTARY STATEMENTS

General Fixed Assets.....	
Debentures Assumed—Due from Other Municipalities.....	
“ “ —Due to Other Municipalities.....	
Debenture Debt—Analysis of.....	
“ “ —Domiciliation of.....	
“ “ —Average Rate of Interest.....	
Debenture Debt Charges—Analysis of, for current year.....	
“ “ “ —Analysis of, for future years.....	
Debenture Debt Charges Recoverable—Analysis of, for current year.....	
Debenture and Interest Payments—Domiciliation of, for future years.....	
Tax (or Rate) Roll—Summary of.....	
Taxes Receivable.....	
Tax Arrears Agreements.....	
Property Acquired for Taxes.....	
Tax Sale Account.....	
Capital Expenditures Provided Out of Revenue.....	

APPENDIX

“A” Procedure for Reporting Joint or Special Expenditures and Other Special Municipal Activities.....	
“B” Utility Income and Expenditure Accounts.....	
“C” General Municipal Statistics Schedules.....	

* Statements that are reproduced for this Review are marked with an asterisk.

As at.....19.....
(Day) (Month)

[illegible]

CAPITAL AND LOAN FUNDS BALANCE SHEET

(General Section)

As at.....19.....
(Day) (Month)

ASSETS		LIABILITIES	
1. General Fixed (Land, Buildings, Plant, Equipment, Streets, Sewers, Drainage, etc., including Local Improvements): Schedule 1.....\$..... Less: Reserve for Depreciation..... Net Total \$.....		1. Debenture Debt (Excluding Unsold Debentures): Schedule 2 11. General— 111. Capitalized Deficits.....\$..... 112. Direct (Unemployment) Relief..... 113. Hospitals..... 114. Libraries..... 115. Parks and Playgrounds..... 116. All Other General Debt..... Sub-Total \$.....	
2. Works in Progress		12. Drainage (Other than General)..... 13. Local Improvements— 131. Municipality's Share.....\$..... 132. Owners' Share..... Sub-Total	
3. Due from Schools (For Debentures): 31. Elementary— 311. Public School.....\$..... 312. Continuation School..... 313. Separate School..... Sub-Total \$..... 32. Secondary—High School and Collegiate..... 33. Technical or Vocational School..... 34. Sub-Total		14. Schools— 141. Elementary— 1411. Public School.....\$..... 1412. Continuation School..... 1413. Separate School..... Sub-Total \$..... 142. Secondary-High School and Collegiate..... 143. Technical or Vocational School..... 144. Sub-Total	
4. Due from Utilities (For Debentures): 41. Water Supply System.....\$..... 42. Electric Light and Power..... 43. Gas Supply System..... 44. Street Railway..... 45. Bus Lines..... 46. Telephone System..... 47. Central Heating..... 48. Ferries..... 49. Other: (Specify) 491. Airport..... 492. 493. Sub-Total		15. Public Utilities— 151. Water Supply System.....\$..... 152. Electric Light and Power..... 153. Gas Supply System..... 154. Street Railway..... 155. Bus Lines..... 156. Telephone System..... 157. Central Heating..... 158. Ferries..... 159. Other: (Specify) 1591. Airport..... 1592. 1593. Sub-Total	
5. Due from Institutional Services (For Debentures): 51. Housing.....\$..... 52. Cemeteries..... 53. Sub-Total		16. Institutional Services— 161. Housing.....\$..... 162. Cemeteries..... 163. Sub-Total	
6. Due from Other Municipalities for Debentures Assumed:		2. Due to Other Municipalities for Debentures Assumed:	
7. Due from Sinking Fund for Retirement of Debentures:		3. Other Long-Term Indebtedness: (Specify) 31.\$..... 32. Sub-Total	
8. Cash		4. Temporary Loans	
9. Accounts Receivable: 91. Sundry.....\$..... 92. Due from Other Municipalities (Other than for Debentures) 93. Due from Province..... 94. Due from Dominion..... Sub-Total		5. Accounts Payable: 51. Sundry.....\$..... 52. Due to Other Municipalities (Other than for Debentures) 53. 54. Sub-Total	
10. Due from Other Funds (Other than for Debentures): (Specify) 101.\$..... 102. Sub-Total		6. Due to Other Funds: (Specify) 61.\$..... 62. Sub-Total	
11. Other Tangible Assets: (Specify) 110.\$..... 111. Sub-Total		7. Unamortized Premium	
12. Unamortized Discount		8. Other Liabilities: (Specify) 81.\$..... 82. Sub-Total	
13. Deficits and/or Extraordinary Expenses Consolidated: 131. Direct Relief.....\$..... 132. Revenue Deficits Capitalized..... 133. Extraordinary Expenses..... Sub-Total		9. Reserves—Other than deducted from Assets: (Specify) 92.\$..... 93. Sub-Total	
Total Assets\$.....		10. Investment in Capital Assets	
		Total Liability\$.....	
		Guarantees or Contingent Liabilities.....\$.....	

SINKING FUND BALANCE SHEET

SINKING FUND BALANCE SHEET

As at 19....
(Day) (Month)

ASSETS

1. Cash	\$.....
2. Investments (Issued or Guaranteed by):	
21. Dominion Government.....	\$.....
22. Provincial Governments—	
221. British Columbia.....	\$.....
222. Alberta.....	.....
223. Saskatchewan.....	.....
224. Manitoba.....	.....
225. Ontario.....	.....
226. Quebec.....	.....
227. New Brunswick.....	.....
228. Nova Scotia.....	.....
229. Prince Edward Island.....	.....
	Sub-Total
23. Municipal Governments (excl. Own).....	.....
24. Own Municipality.....	.....
25. School Corporations.....	.....
26. Others: (Specify)	
261.	\$.....
262. ....	.....
	Sub-Total
	Sub-Total
3. Due from Other Funds: (Specify)	
31.	\$.....
32. ....	.....
	Sub-Total
4. Accrued Interest.....	.....
5. Interest Due and Unpaid on Investments Unmatured.....	.....
6. Investments Matured and Unpaid.....	.....
7. Interest Unpaid on Investments Matured.....	.....
8. Other Assets: (Specify)	
81.	\$.....
82. ....	.....
	Sub-Total
9. Deficit.....	.....
Total Assets	\$.....

SINKING FUND BALANCE SHEET

As at 19....
Day (Month)

LIABILITIES

1. Reserve for Retirement of Debentures (Due to Capital and Loan Funds):

11. General.....	\$.....
12. Drainage (Other than General).....	.....
13. Local Improvements.....	.....
14. Schools.....	.....
15. Public Utilities—	
151. Water Supply System.....	\$.....
152. Electric Light and Power.....	.....
153. Gas Supply System.....	.....
154. Street Railway.....	.....
155. Bus Lines.....	.....
156. Telephone System.....	.....
157. Central Heating.....	.....
158. Ferries.....	.....
159. Other: (Specify)	
1591. Airport.....	.....
1592. ....	.....
1593. ....	.....
	Sub-Total
16. Institutional Services—	
161. Housing.....	\$.....
162. Cemeteries....	.....
163. ....	.....
	Sub-Total

Sub-Total \$.....

2. Accounts Payable.....

3. Due to Other Funds: (Specify)

31.	\$.....
32. ....	.....
	Sub-Total

4. Other Liabilities: (Specify)

41.	\$.....
42. ....	.....
	Sub-Total

5. Investment Reserve(s).....

6. Surplus.....

Total Liabilities..... \$.....

TRUST, RESERVE AND AGENCY FUNDS BALANCE SHEET

As at.....19...
(Day) (Month)

	Memorial or Endow- ment Trust Funds	Insurance Reserve Funds	Civic Pension Funds	Other (Specify)	Total All Funds
ASSETS					
1. Cash	\$.....	\$.....	\$.....	\$.....	\$.....
2. Investments:					
21. Dominion Government..	\$.....	\$.....	\$.....	\$.....	\$.....
22. Provincial Governments:					
(Specify)					
221.					
222.					
223.					
224.					
225.					
23. Municipal Governments					
(Excl. Own).....					
24. Own Municipality.....					
25. School Corporations.....					
26. Others: (Specify)					
261.					
262.					
Total Investments	\$.....	\$.....	\$.....	\$.....	\$.....
3. Due from Other Funds:					
(Specify)					
31.					
32.					
33.					
4. Other Assets: (Specify)					
41.					
42.					
43.					
Total Assets	\$.....	\$.....	\$.....	\$.....	\$.....
LIABILITIES					
1. Trust, Reserve or Agency					
Fund Balance	\$.....	\$.....	\$.....	\$.....	\$.....
2. Accounts Payable					
3. Due to Other Funds:					
(Specify)					
31.	
32.					
33.					
4. Other Liabilities: (Specify)					
41.					
42.					
43.					
Total Liabilities	\$.....	\$.....	\$.....	\$.....	\$.....

REVENUE FUND BALANCE SHEET

REVENUE FUND BALANCE SHEET

(General Section)

As at.....19....
(Day) (Month)

ASSETS

1. Cash	\$.....
2. Investments.....	.....
3. Accounts Receivable: (Specify)	
31. Sundry Accounts and Rents Receivable.....	\$.....
32. Agreements.....	.....
33. ....	.....
	Sub-Total \$.....
Less: Reserve for Uncollectible Accounts Receivable.....	.....
	Net Total
4. Due from Other Municipalities: (Specify)	
41. Debentures Assumed.....	\$.....
42. ....	.....
43. ....	.....
	Sub-Total
5. Due from Province: (Specify)	
51. Unemployment Relief.....	\$.....
52. ....	.....
53. ....	.....
	Sub-Total
6. Due from Dominion of Canada: (Specify)	
61.	\$.....
62. ....	.....
	Sub-Total
7. Due from Local Boards and Commissions or Other Funds: (Specify)	
71.	\$.....
72. ....	.....
73. ....	.....
	Sub-Total
8. Taxes Receivable:	
81. Taxes (Principal only).....	\$.....
82. Interest or Penalties on Taxes Receivable. ....	.....
83. Tax Arrears Agreements.....	.....
	Sub-Total \$.....
Less Reserves for—Uncollectible Taxes	\$.....
Interest on Taxes Receivable .....	.....
	Sub-Total \$.....
	Net Total
9. Property Acquired for Taxes:	
91. Subject to Redemption.....	\$.....
92. Deeded to Municipality.....	.....
	Sub-Total \$.....
Less: Reserve for Property Acquired for Taxes .....	.....
	Net Total
10. Inventories.....	.....
11. Accrued Items: (Specify)	
111.	\$.....
112. ....	.....
113. ....	.....
	Sub-Total
12. Other Assets: (Specify)	
121.	\$.....
122. ....	.....
123. ....	.....
	Sub-Total
13. Deficit.....	.....
Total Assets	<u>\$.....</u>

REVENUE FUND BALANCE SHEET

(General Section)

As at 19....
(Day) (Month)

LIABILITIES

1. Bank Overdrafts	\$.....
2. Temporary Loans.....	.....
3. Accounts Payable.....	.....
4. Debentures and Coupons Due:	
41. Principal.....	\$.....
42. Interest.....	.....
	<u>Sub-Total</u>
5. Due to Other Municipalities: (Specify)	
51. Debentures Assumed:	
511. Principal.....	\$.....
512. Interest.....	.....
	<u>Sub-Total</u> \$.....
52. ....	.....
53. ....	.....
	<u>Sub-Total</u>
6. Due to Province: (Specify)	
61.	\$.....
62. ....	.....
63. ....	.....
	<u>Sub-Total</u>
7. Due to Dominion of Canada: (Specify)	
71.	\$.....
72. ....	.....
	<u>Sub-Total</u>
8. Due to Local Boards and Commissions or Other Funds: (Specify)	
81.	\$.....
82. ....	.....
83. ....	.....
	<u>Sub-Total</u>
9. Accrued Items: (Specify)	
91.	\$.....
92. ....	.....
93. ....	.....
	<u>Sub-Total</u>
10. Other Liabilities: (Specify)	
101.	\$.....
102. ....	.....
103. ....	.....
	<u>Sub-Total</u>
11. Reserves—Other than Deducted from Assets: (Specify)	
115. For Uncollected Taxes.....	\$.....
116. ....	.....
117. ....	.....
	<u>Sub-Total</u>
12. Surplus .....	.....
Total Liabilities	<u>\$.....</u>
Guarantees or Contingent Liabilities	\$.....

REVENUE AND EXPENDITURE ACCOUNT

(General Section)

For the Fiscal Year ended.....19....
(Day) (Month)

REVENUE

1. Taxation:

11. Municipal Purposes (excluding School Taxes)—

111. Real Property:

1111. Land.....\$.....
1112. Improvements (Buildings, etc.).....
1113. Local Improvements (Property Owners'
Share).....

Sub-Total \$.....

112. Personal.....
113. Business.....
114. Income.....
115. Poll.....
116. Amusement (Municipality's Share).....
117. Sales.....
118. Household and Tenant.....
119. Other: (Specify)
1191.....
1192.....

Sub-Total \$.....

12. School Purposes—

121. Elementary—Public, Continuation and Separate School...\$.....
122. Secondary—High School and Collegiate.....
123. Technical or Vocational School.....
124. Other: (Specify)
1241.....
1242.....

Sub-Total

Sub-Total \$.....

2. Licences and Permits:

21. Professional and Business.....\$.....
22. Other.....

Sub-Total

3. Rents, Concessions and Franchises.....

4. Law Enforcement.....

5. Investment Earnings.....

6. Service Charges.....

7. Recreation and Community Services:

71. Recreation Services.....\$.....
72. Community Services.....

Sub-Total

8. Grants and Subsidies from Other Governments:

81. Dominion.....\$.....
82. Provincial (Excluding Relief).....
83. Provincial—Unemployment Relief.....
84. Other Municipalities.....

Sub-Total

9. Debenture Debt Charges Recoverable.....

10. Miscellaneous (N.O.P.).....

11. Public Utilities (Surplus Taken into Revenue).....

12. Institutional Services (Surplus Taken into Revenue).....

13. Total Revenue.....

\$.....

14. Surplus from Previous Years (If used)—transferred from Surplus (Deficit) Account—

15. Total.....

\$.....

16. Deficit for Year (Excess of Expenditure over Revenue)—Carried forward to Surplus (Deficit) Account.....

17. Grand Total Revenue Section.....

\$.....

REVENUE AND EXPENDITURE ACCOUNT
(General Section)

For the Fiscal Year ended.....19....
(Day) (Month)

EXPENDITURE	
1. General Government:	
11. Executive and Legislative.....	\$.....
12. Administrative.....	.....
13. Other General Government Expenditures.....	.....
	Sub-Total \$.....
2. Protection to Persons and Property:	
21. Fire Protection.....	\$.....
22. Police Protection.....	.....
23. Law Enforcement.....	.....
24. Protective Inspection.....	.....
25. Street Lighting.....	.....
26. Destruction of Pests.....	.....
27. Other Protection: (Specify)	.....
271. ....	.....
272. ....	.....
	Sub-Total
3. Public Works.....	.....
4. Sanitation and Waste Removal.....	.....
5. Conservation of Health.....	.....
6. Public Welfare:	
61. Unemployment Relief.....	\$.....
62. Charity and Miscellaneous Welfare.....	.....
63. Child Welfare.....	.....
64. Hospitalization and Medical Services.....	.....
65. Disaster Emergencies.....	.....
66. Other: (Specify)	.....
661. ....	.....
662. ....	.....
	Sub-Total
7. Education:	
71. Elementary:	
711. Public School.....	\$.....
712. Continuation School.....	.....
713. Separate School.....	.....
72. Secondary—High School and Collegiate.....	.....
73. Technical or Vocational School.....	.....
74. Other: (Specify)	.....
	Sub-Total
8. Recreation and Community Services:	
81. Recreation Services.....	\$.....
82. Community Services.....	.....
	Sub-Total
9. Debt Charges:	
91. Debenture Debt Charges.....	\$.....
92. Temporary Debt Charges.....	.....
93. Discount on Taxes.....	.....
	Sub-Total
10. Public Utilities (Deficits Provided).....	.....
11. Institutional Services (Deficits Provided).....	.....
12. Municipal Levy for Utilities and Institutional Services: (Exclusive of Deficits)	
121. Public Utilities.....	\$.....
122. Institutional Services.....	.....
	Sub-Total
13. Capital Expenditure Provided Out of Revenue.....	.....
14. Joint or Special Expenditures (N.O.P.): (Specify)	
141.	\$.....
142. ....	.....
143. ....	.....
	Sub-Total
15. Total Expenditure.....	\$.....
16. Deficits from Previous Years (If any)—Transferred from Surplus (Deficit) Account—	.....

17. Total.....	\$.....
18. Surplus for Year (Excess of Revenue over Expenditure)—Carried forward to Surplus	.....
(Deficit) Account .....	.....
19. Grand Total Expenditure Section.....	<u>\$.....</u>

BALANCE SHEET FOR LOCAL AUTHORITIES
(Other than Utilities, Housing, Cemeteries or Schools)

CAPITAL AND LOAN FUND

As at.....19....
(Day) (Month)

ASSETS

1. General Fixed Assets:

11. Land.....\$.....
12. Buildings.....
13. Equipment.....

Sub-Total \$.....

Less: Reserve for Depreciation

Net Total \$.....

2. Due from Other Funds: (Specify)

21. \$.....
22.
23.

Sub-Total

3. Other Assets: (Specify)

31. \$.....
32.
33.

Sub-Total

Total Assets.....\$.....

LIABILITIES

1. Due to Capital and Loan Fund (General Section) for Debentures.. \$.....

2. Due to Other Funds: (Specify)

21. \$.....
22.
23.

Sub-Total

3. Other Liabilities: (Specify)

31. \$.....
32.
33.

Sub-Total

4. Reserves—Other than for Depreciation: (Specify)

42. \$.....
43.

Sub-Total

5. Investment in Capital Assets.....

Total Liabilities.....\$.....

BALANCE SHEET FOR LOCAL AUTHORITIES
(Other than Utilities, Housing, Cemeteries or Schools)

REVENUE FUND	
As at.....	19....
(Day)	(Month)
ASSETS	
4. Cash	\$.....
5. Accounts Receivable	\$.....
Less: Reserve for Uncollectible Accounts Receivable .....	.....
	Net Total
6. Due from Other Funds: (Specify)	
61.	\$.....
62. ....	.....
63. ....	.....
	Sub-Total
7. Other Assets: (Specify)	
71.	\$.....
72. ....	.....
73. ....	.....
	Sub-Total
8. Deficit .....	.....
Total Assets	
	\$.....
LIABILITIES	
6. Bank Overdraft	\$.....
7. Accounts Payable.....	.....
8. Due to Other Funds: (Specify)	
81.	\$.....
82. ....	.....
83. ....	.....
	Sub-Total
9. Other Liabilities: (Specify)	
91.	\$.....
92. ....	.....
93. ....	.....
	Sub-Total
10. Reserves —Other than for Uncollectible Accounts Receivable: (Specify)	
102.	\$.....
103. ....	.....
	Sub-Total
11. Surplus .....	.....
Total Liabilities	
	\$.....

EXCERPTS
from the
FIRST REVISED
MANUAL OF INSTRUCTIONS
for
MUNICIPAL CORPORATIONS

Published by the Dominion Bureau of Statistics
in 1950 as a Result of the Fourth and Fifth
Dominion-Provincial Conferences on
Municipal Statistics

PREFACE

This publication is a revision of the Manual of Instructions, Municipal Accounting Terminology, and general municipal statistics schedules first published by the Dominion Bureau of Statistics in 1942, as a result of Dominion-Provincial Conferences on Municipal Statistics, held in 1937 and 1940. The original edition of some 8,000 copies, now out of print, received wide acceptance as an authoritative reference base for the development of standardized municipal accounting systems in Canada and for financial reporting by municipalities to provincial departments of municipal affairs. It has also been in demand by universities and students in the fields of commerce, finance and economics.

The foundation for this work was laid at the first Dominion-Provincial Conference on Municipal Statistics held in July, 1937, at which a Continuing Committee was appointed to carry out the recommendations of the Conference with respect to the problems involved in the proposed scheme of reporting municipal revenues, expenditures, and balance sheets.

The personnel of this Committee and the sources upon which it drew for advice and assistance are described in the Foreword of the 1942 Manual published on the recommendation of the 1940 Conference.

As a result of experience gained, and subsequent changes in municipal organizations, regulations and financial procedures, desirable revisions became evident, as was to be expected. The Dominion Bureau of Statistics then took steps to prepare for a revised edition. Proposed changes in the original classifications, terms and reporting statements and in the schedules relating to general municipal statistics were placed before another Dominion-Provincial Conference in September, 1947. Again a Continuing Committee was appointed to carry out the recommendations of the Conference. This Committee was comprised of Louis Jacobs, Director of Municipal Auditing and Accounting, Department of Municipal Affairs, Saskatchewan, Chairman; W. A. Orr, Deputy Minister of Municipal Affairs, Ontario; B. C. Bracewell, Deputy Minister of Municipal Affairs, British Columbia; G. Lemonde, Acting Director, Provincial Bureau of Statistics, Quebec; U. J. Harrington, Municipal Commissioner, Nova Scotia; and J. E. Howes of the Bank of Canada, and J. H. Lowther of the Dominion Bureau of Statistics, ex officio members.

The report of this Committee was dealt with at a further Conference held in September, 1948, and following further changes and recommendations, the revised schedules, classifications, terms and definitions included in this publication were adopted. Also, the Bureau was requested, by Resolution of the Conference, to publish a revised edition of the Manual of Instructions and Accounting Terminology, and to provide sufficient copies for distribution to municipal and other authorities.

This revision of the 1942 Manual, which, therefore, combines both instructional material and accounting terminology, has been prepared under the direction of J. H. Lowther, Director, Public Finance Division, Dominion Bureau of Statistics, by J. A. Barclay. Full acknowledgment is made, by the Bureau, to the various Federal and Provincial officials and services who have co-operated, for their valuable suggestions and contributions to its contents.

HERBERT MARSHALL,

Dominion Statistician.

April 1, 1950.

A Listing of Financial Statements of Municipal Corporations developed for THE MANUAL OF INSTRUCTIONS published by the Dominion Bureau of Statistics in 1950 as a result of the recommendations of the Fourth and Fifth Dominion-Provincial Conferences on Municipal Statistics.

FINANCIAL STATEMENTS OF MUNICIPAL CORPORATIONS

Balance Sheets

* Combined (all funds).....	
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Sinking Fund.....	
* Revenue Fund.....	
Miscellaneous Local Authorities.....	
* Reserve Funds.....	
* Trust and Agency Funds.....	
Public Utilities.....	
Housing.....	
Cemeteries.....	

Guarantees and Contingent Liabilities.....

Surplus (Deficit) Accounts

Sinking Fund.....	
Revenue Fund.....	
Miscellaneous Local Authorities.....	
Public Utilities.....	
Housing.....	
Cemeteries.....	

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Revenue (or Income) and Expenditure Accounts

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General.....	
Miscellaneous Local Authorities.....	
Reserve Funds.....	
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Housing.....	
Cemeteries.....	

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“ “ “ — Analysis of, for future years.....	
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* Statements that are reproduced for this Review are marked with an asterisk.

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MUNICIPAL ACCOUNTING TERMINOLOGY

Municipal Accounting Terminology	
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GENERAL STATISTICS, AREA, ASSESSMENT, AND POPULATION

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Assessments on Which Taxes are Levied	
Assessed Valuations of Property Wholly Exempt from Taxation by Statute . . .	
Exemptions from Taxation of Real Property Which May Be Taxed	
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Road and Street Mileage	
Sewer and Water Main Mileage	

MUNICIPAL SUPERANNUATION OR PENSION FUNDS

Balance Sheet	
Surplus (Deficit) Account	
Fund Account	
Income and Expenditure Account	

COMBINED BALANCE SHEET

As at 19.....
(Day) (Month)

	Capital and Loan Funds (General Section)	Sinking Fund	Revenue Fund (General Section)	Other* Local Authorities	Reserve Funds	Public* Utility	Other* Municipal Enterprises	Total Municipal	Trust and Agency Funds	Total
ASSETS	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1. Cash.....										
2. Investments (Securities):										
21. Unmatured.....										
22. Matured and Unpaid.....										
3. Accounts Receivable:										
31. Sundry.....										
32. Contracts (or Mortgages).....										
33. Due from Other Municipalities.....										
34. Due from Province.....										
35. Due from Dominion.....										
36. Due from Special Districts.....										
4. Taxes Receivable.....										
5. Properties Held for Sale.....										
6. General Fixed Assets.....										
7. Due from Other Funds or Local Authorities:										
71. Schools — For Debentures.....										
72. Utilities and Other Municipal Enterprises — For Debentures.....										
73. Schools — Other than for Debentures.....										
74. Utilities and Other Municipal Enterprises — Other than for Debentures.....										
75. Other Funds.....										
8. Other Assets: (Specify)										
81. Inventories.....										
82. Accrued Items.....										
83. Deferred and Prepaid Charges.....										
84. Unamortized Discounts.....										
85.....										
9. Deficits and/or Extraordinary Expenses Capitalized.....										
10. Deficit.....										
Total.....	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
LIABILITIES	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1. Bank Overdrafts.....										
2. Temporary Loans.....										
3. Accounts Payable:										
31. Sundry.....										
32. Debentures and Coupons Due.....										
33. Due to Other Municipalities.....										
34. Due to Province.....										
35. Due to Dominion.....										
36. Due to Special Districts.....										
4. Debenture Debt.....										
5. Other Long-Term Indebtedness.....										
6. Due to Other Funds or Local Authorities:										
61. Schools.....										
62. Utilities and Other Municipal Enterprises.....										
63. Other Funds.....										
7. Other Liabilities: (Specify)										
71. Accrued Items.....										
72. Customers' Deposits.....										
73. Unamortized Premium.....										
74.....										
8. Reserves for:										
81. Uncollectible Accounts Receivable.....										
82. Uncollectible Taxes and Interest Receivable.....										
83. Loss on Property Held for Sale.....										
84. Depreciation (General Fixed Assets).....										
85. Reserve Fund Balances.....										
86. Trust and Agency Fund Balances.....										
87. Other Purposes.....										
9. Investment in Capital Assets.....										
10. Surplus:										
101. Capital Surplus.....										
102. Unappropriated or Earned Surplus.....										
Total.....	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

* A separate column should be used for each Local Authority, Public Utility, and Other Municipal Enterprise with identification given in the title; or if there are several of any group, they may be combined on a secondary statement or statements.

CAPITAL AND LOAN FUNDS BALANCE SHEET

(General Section)

As at 19....
(Day) (Month)

ASSETS		LIABILITIES	
1. General Fixed (Land, Buildings, Plant, Equipment, Streets, Sewers, Drainage, etc., including Local Improvements)..... \$.....		1. Debenture Debt (Excluding Unsold Debentures):	
2. Works in Progress		11. General—	
3. Due from Schools (For Debentures):		111. Capitalized Deficits \$.....	
31. Elementary—		112. Direct (Unemployment) Relief	
311. Public School..... \$.....		113. Hospitals	
312. Continuation School.....		114. Libraries.....	
313. Separate School.....		115. Parks and Playgrounds	
		116. All Other General Debt.....	
	Sub-Total \$.....	Sub-Total \$.....	
32. Secondary—High School and Collegiate		12. Drainage (Other than General).....	
33. Technical or Vocational School.....		13. Local Improvements—	
34.....		131. Municipality's Share \$.....	
	Sub-Total	132. Owners' Share	
		14. Schools—	
		141. Elementary—	
		1411. Public School \$.....	
		1412. Continuation School.....	
		1413. Separate School.....	
		Sub-Total \$.....	
4 Due from Utilities and Other Municipal Enterprises (For Debentures):		142. Secondary-High School and Collegiate.....	
41. Water Supply System..... \$.....		143. Technical or Vocational School.....	
42. Electric Light and Power.....		144.....	
43. Gas Supply System.....		Sub-Total	
44. Street Railway.....		15. Public Utilities and Other Municipal Enterprises —	
45. Bus Lines.....		151. Water Supply System..... \$.....	
46. Telephone System.....		152. Electric Light and Power.....	
47. Central Heating.....		153. Gas Supply System.....	
48. Ferries.....		154. Street Railway.....	
49. Other: (Specify)		155. Bus Lines.....	
491. Airport.....		156. Telephone System.....	
492.....		157. Central Heating.....	
493.....		158. Ferries.....	
50. Housing.....		159. Other: (Specify)	
51. Cemeteries.....		1591. Airport.....	
52.....		1592.....	
	Sub-Total	1593.....	
		160. Housing.....	
5. Due from Other Municipalities for Debentures Assumed:		161. Cemeteries.....	
		162.....	
		Sub-Total	
6. Due from Sinking Fund for Retirement of Debentures:		Sub-Total \$.....	
		2. Due to Other Municipalities for Debentures Assumed:	
7. Cash.....		3. Other Long-Term Indebtedness: (Specify)	
8. Accounts Receivable:		31..... \$.....	
81. Sundry..... \$.....		32.....	
82. Due from Other Municipalities (Other than for Debentures).....		Sub-Total	
83. Due from Province.....		4. Temporary Loans	
84. Due from Dominion.....		5. Accounts Payable:	
	Sub-Total	51. Sundry..... \$.....	
9. Due from Other Funds (Other than for Debentures): (Specify)		52. Due to Other Municipalities (Other than for Debentures).....	
91..... \$.....		53.....	
92.....		54.....	
	Sub-Total	Sub-Total	
10. Other Tangible Assets: (Specify)		6. Due to Other Funds: (Specify)	
101..... \$.....		61..... \$.....	
102.....		62.....	
	Sub-Total	Sub-Total	
11. Unamortized Discount		7. Unamortized Premium.....	
12. Deficits and/or Extraordinary Expenses Capitalized:		8. Other Liabilities: (Specify)	
121. Direct Relief..... \$.....		81..... \$.....	
122. Revenue Deficits Capitalized.....		82.....	
123. Extraordinary Expenses.....		Sub-Total	
	Sub-Total	9. Reserves: (Specify)	
		91..... \$.....	
		92.....	
		Sub-Total	
Total Assets	\$.....	10. Investment in Capital Assets	
		Total Liabilities	
		Guarantees or Contingent Liabilities..... \$.....	

REVENUE FUND BALANCE SHEET

REVENUE FUND BALANCE SHEET

(General Section)

As at 19...
(Day) (Month)

ASSETS

1. Cash		\$.....
2. Investments .....		.....
3. Accounts Receivable: (Specify)		
31. Sundry Accounts and Rents Receivable	\$.....	
32. Agreements		
33.		
	Sub-Total	\$.....
Less: Reserve for Uncollectible Accounts Receivable .....		.....
	Net Total	.....
4. Due from Other Municipalities: (Specify)		
41. Debentures Assumed	\$.....	
42.		
	Sub-Total	.....
5. Due from Province: (Specify)		
51. Unemployment Relief	\$.....	
52.		
53.		
	Sub-Total	.....
6. Due from Dominion of Canada: (Specify)		
61.	\$.....	
62.		
	Sub-Total	.....
7. Due from School Boards		
8. Due from Utilities and Other Municipal Enterprises: (Specify)		
81.	\$.....	
82.		
83.		
	Sub-Total	.....
9. Due from Special Districts: (Specify)		
91.	\$.....	
92.		
	Sub-Total	.....
10. Taxes Receivable:		
101. Taxes (Principal Only)	\$.....	
102. Interest and Penalties on Taxes Receivable		
103. Tax Arrears Agreements		
	Sub-Total	\$.....
Less Reserves for: Uncollectible Taxes	\$.....	
Interest on Taxes Receivable		
	Sub-Total	.....
	Net Total	.....
11. Property Acquired for Taxes:		
111. Subject to Redemption	\$.....	
112. Deeded to Municipality		
	Sub-Total	\$.....
Less: Reserve for Property Acquired for Taxes .....		.....
	Net Total	.....
12. Inventories .....		.....
13. Accrued Items: (Specify)		
131.	\$.....	
132.		
	Sub-Total	.....
14. Other Assets: (Specify)		
141.	\$.....	
142.		
	Sub-Total	.....
15. Due from Other Funds: (Specify)		
151.	\$.....	
152.		
	Sub-Total	.....
16. Deficit .....		.....
	
Total Assets		\$.....

REVENUE FUND BALANCE SHEET

(General Section)

As at 19...
(Day) (Month)

LIABILITIES

1. Bank Overdrafts	\$.....
2. Temporary Loans .....	.....
3. Accounts Payable .....	.....
4. Debentures and Coupons Due:	
41. Principal	\$.....
42. Interest .....	.....
	Sub-Total
5. Due to Other Municipalities: (Specify)	
51. Debentures Assumed:	
511. Principal	\$.....
512. Interest .....	.....
	Sub-Total \$.....
52. ....	.....
	Sub-Total
6. Due to Province: (Specify)	
61.	\$.....
62. ....	.....
63. ....	.....
	Sub-Total
7. Due to Dominion of Canada: (Specify)	
71.	\$.....
72. ....	.....
	Sub-Total
8. Due to School Boards .....	.....
9. Due to Utilities and Other Municipal Enterprises: (Specify)	
91.	\$.....
92. ....	.....
93. ....	.....
	Sub-Total
10. Due to Special Districts: (Specify)	
101.	\$.....
102. ....	.....
	Sub-Total
11. Accrued Items: (Specify)	
111.	\$.....
112. ....	.....
	Sub-Total
12. Other Liabilities: (Specify)	
121.	\$.....
122. ....	.....
	Sub-Total
13. Reserves—Other Than Deducted from Assets:	
131. Undetermined Losses on Assets: (Specify)	
1315 Uncollected Taxes	\$.....
1316. ....	.....
	Sub-Total \$.....
132. Contingencies: (Specify)	
1321.	\$.....
1322. ....	.....
	Sub-Total
133. Future Expenditures: (Specify)	
1331.	\$.....
1332. ....	.....
	Sub-Total
	Sub-Total
14. Due to Other Funds: (Specify)	
141.	\$.....
142. ....	.....
	Sub-Total
15. Surplus .....	.....
Total Liabilities	\$.....
Guarantees or Contingent Liabilities	\$.....

REVENUE AND EXPENDITURE ACCOUNT

(General Section)

For the Fiscal Year ended.....19...
(Day) (Month)

REVENUE

1. Taxation:	
11. Municipal Purposes (Excluding School Taxes)—	
111. General Taxation:	
1111. Real Property:	
11111. Land	\$.....
11112. Improvements (Buildings, Etc.) .....	.....
1112. Personal Property .....	.....
1113. Business .....	.....
1114. Income .....	.....
1115. Poll .....	.....
1116. Amusement (Municipali- ty's Share) .....	.....
1117. Sales .....	.....
1118. Household and Tenant .....	.....
1119. Other: (Specify) .....	.....
	Sub-Total \$.....
112. Special Assessments (Owners' Share) and Charges:	
1121. Local Improvements	\$.....
1122. Other Special Charges: (Specify) .....	.....
	Sub-Total
	Sub-Total \$.....
12. School Purposes—	
121. Elementary—Public, Continuation and Separate School	\$.....
122. Secondary—High School and Collegiate .....	.....
123. Technical or Vocational School .....	.....
124. Other: (Specify) .....	.....
	Sub-Total
	Sub-Total \$.....
2. Licences and Permits:	
21. Professional and Business	\$.....
22. Other: (Specify) .....	.....
	Sub-Total
3. Rents, Concessions and Franchises .....	.....
4. Fines .....	.....
5. Interest, Tax Penalties, Etc. .....	.....
6. Service Charges .....	.....
7. Recreation and Community Services:	
71. Recreation Services	\$.....
72. Community Services .....	.....
	Sub-Total
8. Contributions, Grants and Subsidies:	
81. Governments:	
811. Dominion	\$.....
812. Provincial .....	.....
813. Other Municipal .....	.....
	Sub-Total \$.....
82. Governmental Enterprises:	
821. Dominion	\$.....
822. Provincial .....	.....
823. Own Municipal .....	.....
824. Other Municipal .....	.....
	Sub-Total
83. Other Contributions, Grants and Subsidies:	
831. Sinking Fund Excess Earnings	\$.....
832. Other: (Specify) .....	.....
	Sub-Total
	Sub-Total
9. Debenture Debt Charges Recoverable .....	.....
10. Miscellaneous (N.O.P.): (Specify) .....	.....
11. Total Revenue	\$.....
12. Surplus from Previous Years (If Used)—Transferred from Surplus (Deficit) Account .....	.....
13. Total	\$.....
14. Deficit for Year (Excess of Expenditure over Revenue)—Carried forward to Surplus (Deficit) Account .....	.....
15. Grand Total Revenue Section	\$.....

REVENUE AND EXPENDITURE ACCOUNT
(General Section)

For the Fiscal Year ended.....19...
(Day) (Month)

EXPENDITURE	
1. General Government:	
11. Executive and Legislative.....	\$.....
12. Administrative.....	.....
13. Other General Government Expenditures.....	.....
	Sub-Total \$.....
2. Protection to Persons and Property:	
21. Fire Protection.....	\$.....
22. Police Protection.....	.....
23. Law Enforcement.....	.....
24. Corrections.....	.....
25. Protective Inspections.....	.....
26. Street Lighting.....	.....
27. Destruction of Pests.....	.....
28. Other Protection: (Specify).....	.....
	Sub-Total
3. Public Works .....	.....
4. Sanitation and Waste Removal.....	.....
5. Health:	
51. General.....	\$.....
52. Public Health.....	.....
53. Medical, Dental and Allied Services.....	.....
54. Hospital Care.....	.....
	Sub-Total
6. Social Welfare:	
61. Aid to Aged Persons.....	\$.....
62. Aid to Blind Persons.....	.....
63. Aid to Unemployed Employables.....	.....
64. Aid to Unemployables.....	.....
65. Mothers' Allowances.....	.....
66. Child Welfare.....	.....
67. Other.....	.....
	Sub-Total
7. Education:	
71. Elementary:	
711. Public School.....	\$.....
712. Continuation School.....	.....
713. Separate School.....	.....
72. Secondary—High School and Collegiate.....	.....
73. Technical or Vocational School.....	.....
74. Other: (Specify).....	.....
	Sub-Total
8. Recreation and Community Services:	
81. Recreation Services.....	\$.....
82. Community Services.....	.....
	Sub-Total
9. Debt Charges:	
91. Debenture Debt Charges.....	\$.....
92. Interest (Long-Term Borrowings only).....	.....
93. Temporary Debt Charges.....	.....
94. Other Debt Charges: (Specify).....	.....
	Sub-Total
10. Utilities and Other Municipal Enterprises (Deficits and Levies).....	.....
11. Provision for Reserves:	
111. Undetermined Losses on Assets.....	\$.....
112. Contingencies.....	.....
113. Future Expenditures.....	.....
	Sub-Total
12. Capital Expenditures Provided out of Revenue .....	.....
13. Joint or Special Expenditures (N.O.P.): (Specify).....	.....
14. Miscellaneous: (Specify) .....	.....
15. Total Expenditure	\$.....
16. Deficit from Previous Years (If Any)—Transferred from Surplus (Deficit) Account.....	.....
17. Total.....	\$.....
18. Surplus for Year (Excess of Revenue over Expenditure)—Carried forward to Surplus (Deficit) Account .....	.....
19. Grand Total Expenditure Section.....	\$.....

RESERVE FUNDS BALANCE SHEET

As at 19...
(Day) (Month)

	Insurance Reserve Fund	Other (Specify)	Other (Specify)	Other (Specify)	Total All Reserve Funds
ASSETS					
1. Cash	\$	\$	\$	\$	\$
2. Investments:					
21. Dominion Government	\$	\$	\$	\$	\$
22. Provincial Governments: (Specify)					
221.
222.
223.
224.
225.
23. Municipal Governments (Excl. Own)
24. Own Municipality
25. School Corporations
26. Others: (Specify)					
261.
262.
Total Investments.	\$	\$	\$	\$	\$
3. Due from Other Funds: (Specify)					
31.
32.
33.
4. Other Assets: (Specify)					
41.
42.
43.
Total Assets.	\$	\$	\$	\$	\$
LIABILITIES					
1. Reserve Fund Balance.	\$	\$	\$	\$	\$
2. Accounts Payable.
3. Due to Other Funds: (Specify)					
31.
32.
33.
4. Other Liabilities: (Specify)					
41.
42.
43.
Total Liabilities	\$	\$	\$	\$	\$

TRUST AND AGENCY FUNDS BALANCE SHEET

As at.....19...
(Day) (Month)

	Trust Funds		Agency Funds		Total all Funds
	Memorial or Endow- ment Trust Funds	Other (Specify)	Civic Pension Funds	Other (Specify)	
ASSETS					
1. Cash	\$	\$	\$	\$	\$
2. Investments:					
21. Dominion Government	\$	\$	\$	\$	\$
22. Provincial Governments:					
(Specify)
221.
222.
223.
224.
225.
23. Municipal Governments					
(Excl. Own)
24. Own Municipality
25. School Corporations
26. Others: (Specify)					
261.
262.
Total Investments.	\$	\$	\$	\$	\$
3. Due from Other Funds: (Specify)					
31.
32.
33.
4. Other Assets: (Specify)					
41.
42.
43.
Total Assets.	\$	\$	\$	\$	\$
LIABILITIES					
1. Trust or Agency Fund Balance. \$	\$	\$	\$	\$	\$
2. Accounts Payable.
3. Due to Other Funds: (Specify)					
31.
32.
33.
4. Other Liabilities: (Specify)					
41.
42.
43.
Total Liabilities	\$	\$	\$	\$	\$

EXCERPTS
from the
SECOND REVISION
of
MUNICIPAL FINANCE
REPORTING MANUAL
for
MUNICIPAL CORPORATIONS

Published by the Dominion Bureau of Statistics
in 1960 as a Result of the Sixth and Seventh
Dominion-Provincial Conferences on
Municipal Statistics

PREFACE

This publication, entitled "Municipal Finance Reporting Manual" for better identification, is the second revision of the manual published under the title "Manual of Instructions" and subtitled "Financial Statements, Accounting Terminology, Population, Area and Assessment Schedules for Municipal Corporations" which was first published by the Dominion Bureau of Statistics in 1942 in two volumes and subsequently in revised form in one volume in 1950.

The original edition resulted from the work of the First (1937), Second (1937) and Third (1940) Dominion-Provincial Conferences on Municipal Statistics and their Continuing Committees. The first revised edition was published after the Fourth (1947) and Fifth (1948) Conferences, and this second revision follows the Sixth (1953) and Seventh (1958) Conferences, for each of which preparatory work was done by Continuing Committees.

Those who served as official representatives at the Conferences and as members of the Continuing Committees have been identified in the reports on the activities of both bodies, and their assistance is gratefully acknowledged.

The first edition of the Manual was prepared by J.H. Lowther of the Dominion Bureau of Statistics, and the revisions have been made by J.A. Barclay, in 1950 under the direction of J.H. Lowther and for this 1960 edition, under the direction of G.A. Wagdin, successive Directors of the Public Finance and Transportation Division of the Dominion Bureau of Statistics.

Full acknowledgment is made by the Dominion Bureau of Statistics of the valuable contributions by the various Federal and Provincial officials to this work.

April 1, 1960

WALTER E. DUFFETT,
Dominion Statistician.

INTRODUCTION

One of the objectives of the Dominion-Provincial Conferences on Municipal Statistics has been the standardization of municipal financial reporting throughout Canada, not only to the public at large, but also to the Provincial Departments of Municipal Affairs or other authorities, which in turn would also make possible the procuring of comparable municipal statistics on a provincial basis. The schedules for reporting balance sheet information, revenues and expenditures, and other financial data relating thereto, as adopted at the December, 1940, Dominion-Provincial Conference on Municipal Statistics, were developed with these objectives in mind. These have been amended, enlarged upon and brought up to date at subsequent Conferences, and are published in revised form in this new edition of the Municipal Finance Reporting Manual, which explains their application and use. At the same time provision is made in the Manual for a breakdown of municipal financial statistics and activities which will permit comparisons and consolidations to be made of financial statistics on a national scale, including the federal, provincial, and local governments.

APPLICATION

This Manual is for use by all incorporated units of municipal government, referred to herein as municipalities, and should prove useful in some of its aspects for some other forms of local government which are for convenience designated as Special District Authorities. Other provision is necessary for that portion of local government which is carried on by School Authorities, and an appropriate Manual is to be prepared for their use.

Financial Reports and Modification of Forms for Smaller Units

This volume contains an outline of the basic or fundamental requirements for an adequate municipal financial report, covering as it does the wide range of funds that may be found in the larger municipalities. But even in this respect it reflects only what might be regarded as minimum needs. The overall requirements of an adequate financial report will vary even between larger municipalities, depending on the basic organization and development, range of services and local opinion. Additional schedules, supporting balance sheet or revenue and expenditure statements, may also be included, depending on the requirements of interested persons and the desire of the officials to prepare reports which will be as useful and informative as possible.

Some additional statements recommended, the content of which would depend on the size and type of municipality concerned, are as follows:

1. Budget Operations — Estimated and Actual.
2. Sinking Fund and Other Investments:
 - a) Book Value, Cost and Market Value.
 - b) Sinking Fund Investments and Sinking Fund Debentures by years of maturity.
3. Cash Receipts and Payments (by funds; and in General Funds, by function)
4. Insurance Policies in force, including indemnity bonds on officials.
5. Municipal Employees (by funds):
 - a) Number.
 - b) Salaries or Wages paid.

Also, many tables of a purely statistical nature may be included, in which regard there are shown in Part III of this volume the schedules of General Statistics adopted by the Dominion-Provincial Conferences on Municipal Statistics. The inclusion of any of these additional financial or statistical statements will considerably enhance the value of the published financial report.

Financial reports of municipalities may also vary according to the purpose or interests they are intended to serve. At least two types of reports are desirable for many municipalities, certainly the larger ones. The first is a complete, unabridged, detailed report, as referred to above, covering the whole range of local activities and responsibilities. This is usually represented or covered by the auditor's report and should meet the test of legal requirements and prescribed standards, and include such additional detail and information as may be agreed upon between the council, finance officer and auditor.

The requirements of such a report will depend entirely on the complexity of the system of municipal administration. If there are a number of separately constituted boards and commissions, of one kind or another, such as hospital, library, recreation boards, etc., which are responsible for the administration of these services, and such have to be separately accounted for, then the system of municipal accounting and reporting and the problems of unification become more complex. (See Section "C", page 121.)

However, a financial report in this detail is invaluable, if not in fact essential to the municipal authorities, finance officers and council who are engaged in the day to day business of administering and managing the municipality's affairs, as well as to the municipal banker and to other financial institutions concerned.

The second type of report, which is referred to solely to avoid unwarranted implications in the use and purpose of this Manual, is an abridged report which should be prepared and available for the use mainly of the ratepayers and other individuals in the municipality. This should be in very condensed and abbreviated form. It should deal with the complete range of local affairs, revenues and resources, but contain as few financial statements as possible, and these should be accompanied by such descriptive commentary and explanations as may be necessary to make the report easily and correctly understood. Pictorial and graphic illustrations are widely used in the many excellent examples of this latter type of report.

In the smaller municipalities the considerations are not the same. Their administrative systems are not nearly so complex, and it is possible to prepare financial statements and reports in simple form and quite readily understandable terms. However, uniformity of form, content, terms and expressions is still of paramount importance in these cases.

Considerable scaling down and simplification may have to be made in the forms put into use for the smaller municipalities, and also for municipalities of different type or character. For instance, some modification will no doubt be required as between the forms for use by towns and villages in some provinces, as well as in those for townships or rural municipalities of different sizes. These facts should be given due recognition in the use of this Manual, and it should not be inferred that smaller municipal units are expected to have their financial reports prepared on such an elaborate basis. Further, it will be noted that many of the forms or schedules do not apply to all municipalities. However, in the course of any simplification or modification that may be necessary, the basic principles laid down for the preparation of the general statements must be carefully followed.

The Dominion Bureau of Statistics has co-operated with Municipal Affairs officials of the provinces in designing forms and schedules for use by the different classes or types of municipalities and will, on request, continue to do so. In this way both the local and provincial requirements for municipal financial statements will be adequately provided for, while at the same time the principles of uniformity on a national basis, which is an all-important and essential factor towards improvement in municipal administration and in the field of public finance statistics, will be maintained.

Tax or Rate Roll

Some confusion may exist as to the use of the term tax, or rate roll in the text. It refers to the book(s), record(s) or list(s) used by municipalities in any province in which is entered the amount of taxes levied against each taxpayer or property in any year. Sometimes the tax roll and the assessment roll may be combined.

Indexing Statements in Report

As balance sheets, surplus (deficit) accounts, and revenue (or income) and expenditure accounts constitute the principal financial statements in a report, it will be noted that these are referred to as "Exhibits", while the supplementary statements showing detail in support of items appearing in those statements are referred to as "Schedules". While the sequence of the Exhibits and Schedules in the Manual is considered to be the most appropriate and useful for reference purposes, other recognized methods for their indexing and arrangement in financial reports may be followed, such as to relate the detail schedules to the particular exhibits to which they refer.

Codification of Items

Reference should also be made to the fact that the various items are numbered independently in each statement. There is no intended correlation between items bearing the same numbers but appearing in different statements, although such may occasionally occur. The system of numbering items in the statements was employed mainly for the purpose of facilitating reference thereto, both in the Manual and elsewhere. It is intended, however, at some future date to give consideration to the development of a standard system of codification of assets, liabilities, revenues, and expenditures which may be adapted to the needs of any municipality.

Classification of Accounts

Classification of accounts is the basis of any accounting system. The measure of adequacy for any such classification is the degree to which it provides information needed for administration and reporting in an easily recorded and interpreted manner. No one classification can serve every conceivable need, and re-analyses and elaborations of some items may be required. Different classifications provide different information. The primary classification of municipal accounts is by funds, as municipal revenues are usually segregated for use for definite purposes, and may not be used for others. Consequently fund accounts should be identified in municipal records and grouped together. A brief reference to the different types of classifications and their use is contained in the following.

Fund Reporting

The exhibits and schedules of this Manual have been drafted and grouped to further a concept fundamental to municipal accounting and reporting, that of *separate fund accounting*. Generally speaking, the financial transactions of a municipality may, and should, be grouped into separate and distinct sections containing like funds. These sections are *general* (sometimes referred to as *ordinary*), *special activities*, *utilities*, *sinking fund*, *reserve funds* and *trust funds*. Within each of utilities, special activities, reserve funds and trust funds sections there may be a number of related funds. Each of general, utilities and special activities funds is divided into a capital and loan fund and a revenue fund.

Therefore, a fund consists of either the capital or the revenue aspects of a particular set of operations of the municipality, such as general operations, a

special activity, or a utility, or it consists of a reserve for retirement of sinking fund debentures, a segregated reserve for another purpose, or of money held in trust for a purpose by the municipality.

The total capital and loan position of the municipality is determined from a combined capital and loan fund balance sheet, the total revenue (or ordinary) position from a combined revenue fund balance sheet, and these two combined balance sheets, together with the sinking fund balance sheet and the reserve fund balance sheets show the financial standing of the municipality. Trust funds record non-municipal money held for disposition.

The funds in a municipality's records are therefore those required from amongst the following:

General Funds:

General Capital and Loan Fund

General Revenue Fund

Special Activity Funds (one set for each (named) Special Activity)

Special Activity Capital and Loan Fund

Special Activity Revenue Fund

Utility Funds (one set for each (named) Utility)

Utility Capital and Loan Fund

Utility Revenue Fund

Sinking Fund

Reserve Funds (one for each (named) Reserve

Trust Funds (one for each (named) Trust Fund)

Each fund should have a complete set of accounts, statements and schedules, as set out in Part 1, Sections "B" to "G" of this Manual.

Special Activity Funds account for those portions of the municipality's service operations, other than general and utilities, which may have been delegated to a commission or board for management, and whether so delegated or not, for which separate accounts are kept. They are described, with examples, in Section "C" on page 123. In many municipalities some of these may be managed by council without separate accounting, if not of much moment, in which case financial data thereon will be included in the general funds, according to the classifications thereof. It is advisable to have separate accounting for municipal hospitals, which belong in the special activities group.

Utilities are those municipal operations listed in Section "D", on page 157: each should always be accounted for and reported on as a separate set of funds with the capital and loan and revenue fund fully set out, whether managed by a board or commission, or by council or a committee thereof.

This division of the accounting and reporting for the operational aspects of municipal government into general, special activities and utilities is similar to one employed for the provincial and federal governments and is based on the premise that there are certain "general" or ordinary functions of government which are largely common to all similar jurisdictions, and which are financed chiefly from taxes and other generally applied sources of income. These are grouped together, and all others of a different nature should be separated from them.

Certain other operations of government have quite different characteristics, that is, those which produce goods or provide services for which they charge, intending largely to recover costs or gain a profit. Often the operation is administered by a body other than the legislative one, which body may obtain capital funds by loans or transfers from the parent organization or by outside borrowing. There is often a considerable degree of financial and administrative autonomy. As these operations are not common to all units of government, it is best that they be separately accounted for both for comparative purpose, and in order that each may be viewed as an entity.

The operations other than "general" which are carried on by municipalities might be categorized as *utilities* and "other". In this Manual, a definite list of utilities has been established, and is set out in Section "D". Each should have its own set of accounts, the statements in Section "D" being *pro forma* only. Appendix 2 on page 251 elaborates on these.

Those operations other than general which have not been included in the list of utilities are designated as *special activities* included in Section "C", which also provides statements for reporting on each, as well as a listing of many of the more common kinds.

These utility and special activity statements are *pro forma* statements. If different statements are required by any provincial board, such as a public utilities board, they should be substituted for these. Statements have been devised and published for use by hospitals, and hospital statements published in Section "C" of a municipal report should take the form recommended.

Classification Within Funds

Revenues

Within the funds as determined for use in a municipality revenues may be classified in three principal ways, namely, by:

1. *Source*
2. *Department (or Organization Unit)*
3. *Purpose (or Activity)*

Source: This is the commonly used classification. Some funds have very few sources, perhaps only one, but many sources are applicable to general fund. Classification of revenues by source facilitates the preparation of budgets, budgetary control, the preparation of financial statements, and the production of comparable financial statistics. Examples of municipal revenue sources are: taxes; licences and permits; rents; concessions and franchises; fines; interest; etc. The exact titles used depend upon what is authorized, or what is accepted as common practice, and, of course, on the need to give a full presentation of revenues.

These main source classifications may again be broken down into various types within themselves. For instance in General Revenue Fund, "Taxes" is subdivided into "General Taxation" and "Special Assessments", and these in turn into still more detail, such as for "General and School Taxation" which is subdivided into "real property, personal property, business, poll, etc." in order to obtain a more detailed presentation and understanding. Similarly, other sources may be broken down to give information desired, as in the case of "Contributions", which is detailed according to contributing agencies (i.e., Dominion, province, other municipalities, utilities, etc.).

Department: Sometimes revenues are classified by departments or organization units of the municipal government, or other collecting agencies. They may be further classified by activity within departments. This reflects responsibility for administration and serves as a check on the effectiveness of collections; it may also facilitate auditing. But since departments and their organization vary from municipality to municipality, valid comparisons on this basis between municipalities, and inter-provincially, are difficult, if not impossible.

Purpose: Occasionally revenues are designated by the purpose for which raised, such as taxes for hospital support (hospital taxes). This may have the advantage of emphasizing the reason for the tax and the purpose for which used but actually does not obviate the need for indicating the basic source, such as "real property" or "poll" tax.

Expenditures

Also within the fund classification prescribed, expenditures may be classified in five principal ways, namely, by:

1. *Function*
2. *Activity*
3. *Object*
4. *Character*
5. *Department (or Organization Unit)*

Function: Classification of expenditures by function reflects the purpose served by the expenditure, such as "General Government, Protection to Persons and Property, Sanitation and Waste Removal", etc. It facilitates statistical comparisons, as all municipalities provide many common functions even though their administrative organizations vary. Functions may be subdivided, such as "Protection to Persons and Property" into "police protection, fire protection", etc.

Activity: Classification of expenditures by activity relates to the specific work carried out to accomplish a function. In other words, each function consists of a group of activities, just as the functional class "fire protection" consists of such activities as "administration, fire fighting force, fire alarm system, fire stations and buildings", etc. A classification by activity facilitates budget making and control and statistical comparisons because activities are similar as between municipalities even when departmental organizations differ. It also makes possible unit cost accounting.

As the above will convey a clear cut distinction between function and activity cannot always be made, but this is not a serious weakness because the two are used in conjunction.

Object: Expenditures may be classified according to articles purchased, services obtained, obligations paid, and contributions between funds. Such a classification is very useful in preparing budgetary estimates of expenditure, when each activity is analysed by object in order to determine the estimated cost of services and commodities to be used. Comparison of changes in costs of activities can also be made, differences can be determined, and economies can be investigated because it is possible to compare performance with past years and also with other authorities.

Character: Useful for economic analysis, and informative as to when the benefits of expenditures are realized, a character classification is arranged by grouping of objects of expenditure as follows:

1. Current Expenses
2. Capital Expenditures
3. Debt Redemption

Current expenses may be further subdivided such as into purchases of goods and services, grants and subventions, and interest.

Department: The various activities may be assigned to departments or other organization units of the municipal government, and classified by departments rather than by functions. If sufficient detail is given, the expenditures may be re-classified and presented by functions. This method is usually followed by the larger municipalities. The same result is obtained in other instances by assigning activities to the several "committees of council". In either instance such an arrangement is very useful for budgeting purposes and serves to fix administrative responsibility for services. Under either system of administrative responsibility, the various activities within a department should be so arranged that they may be regrouped without further analysis so as to permit the classification of expenditures by function.

Basis of Classifying of Revenues and Expenditures in Manual

As heretofore stated, the classifications in this Manual are the result of conferences of officials from all of the provinces.

A classification of General Revenue Fund revenues by "source" was adopted, as this one is by far the most useful, and in some form or another was already in general use. The advantages have already been outlined. It has been so presented as to place due emphasis on the more important revenues which are common to most municipalities.

A classification by departments would have done little to accomplish the aims of the Conferences, as few municipalities have departmentalized their administration, and those which have do not follow a standard pattern. Hence provincial or national totals on this basis would be meaningless. Aside from this, however, a classification of revenues on this basis is of little or no practical use for financial or economic analysis. However, it is possible for municipalities which classify expenditures by department to present their revenues according to source.

Only a few revenues of municipalities are ever classified by a specific purpose, as most are for general purposes, and this would mean a very skimpy classification.

For reasons of usefulness and practice similar to those behind the adoption of a source classification of revenues, and for those advantages already dealt with, the classification of municipal expenditures by "function" was adopted. Here also, the functional terms and sub-items emphasize the important and wide range of services for which municipalities in the several provinces are responsible. This enables the municipalities to vary the detail presented as required by their size, and by provincial regulations.

Practical considerations led to a deviation from the main basis of presentation, when elements of a character classification were introduced and "Debt Charges" and "Contributions to Capital and Loan Fund" were segregated.

Standard Terms and Definitions

Classification of accounts as described above is not possible without standard terms and definitions. This is necessary even for a municipality preparing an understandable report for one year as well as for all municipalities of a province, or in the Dominion, preparing reports comparable with one another, and consistent from year to year. This Manual, both in its forms and schedules with their explanatory texts in Parts I, III and IV, and the Municipal Accounting Terminology in Part II, attempts to give in broad outline standards for municipalities to follow. However, uniformity and comparability will not be achieved unless the terms and classifications are used only in accordance with the prescribed definitions and explanations.

Acknowledgments

In the course of preparing this Manual, many texts, reports, and forms devoted to similar or related matters were frequently referred to for both general and technical guidance; these comprised the following: publications of the Municipal Finance Officers Association on Municipal Accounting Statements and related subjects; publications of the National Association of Railroad and Utilities Commissioners on Uniform Systems of Accounts for Water, Electric and Gas Utilities, the Tentative Manual of Practice, Uniform System of Accounts for Sewer Utilities of the Federation of Sewage Works Associations; forms, reports, and instruction texts published by the Department of Commerce, Bureau of the Census, Washington; Accounting Terminology for Canadian Practice published by the Canadian Institute of Chartered Accountants; forms and reports of the several provinces on municipal and utility statistics; and forms and reports of the Dominion Bureau of Statistics. This wealth of reference material was extremely helpful and the use thereof is gratefully acknowledged.

A Listing of Financial Statements of Municipal Corporations developed for the Municipal Finance Reporting Manual published by the Dominion Bureau of Statistics in 1960 as a result of recommendations of the Sixth and Seventh Dominion-Provincial Conferences on Municipal Statistics.

FINANCIAL STATEMENTS OF MUNICIPAL CORPORATIONS

Combined Balance Sheets—Section A	
Capital and Loan Funds:	
* Combined Balance Sheet	
Analysis of Debenture Debt	
Analysis of Local Improvement Debenture Debt	
Due from Other Municipalities and Special District Authorities for Payment of Debentures	
Due to Other Municipalities and Special District Authorities for Payment of Debentures	
Due from Other Municipalities or Special Districts for Payment of Long-Term Debt	
Due to Other Municipalities or Special Districts for Payment of Long-Term Debt	
Unmatured Debenture Debt—Place of Payment	
“ “ “ —Average Rate of Interest	
Debenture Payments (Future)—Place of Payment	
“ “ “ —Analysis by Years	
Debentures Assumed from Other Municipalities:	
Average Rate of Interest	
Analysis of Future Debt Charges by Years	
Revenue Funds:	
* Combined Balance Sheet	
General Funds—Section B	
Capital and Loan Fund:	
* Balance Sheet	
Guarantees and Contingent Liabilities	
General Fixed Assets	
* Investment in Capital Assets—Statement of	
* Source and Application of Funds—Statement of	
General Fixed Assets—Expenditure for	
Revenue Fund:	
* Balance Sheet	
Taxes Receivable	
Tax Arrears Agreements	
Property Acquired for Taxes	
Tax Sale Account	
Surplus (Deficit)—Statement of	
* Statement of Revenue and Expenditure	
Tax (or Rate) Roll—Summary of	
Long-Term Debt Charges Recoverable—Analysis of	
Long-Term Debt Charges—Analysis of	
Special Activities—Section C	
Capital and Loan Fund:	
Balance Sheet	
Investment in Capital Assets—Statement of	
Source and Application of Funds—Statement of	
Revenue Fund:	
Balance Sheet	
Surplus (Deficit)—Statement of	
Revenue and Expenditure—Statement of	

* Statements that are reproduced for this Review are marked with an asterisk.

FINANCIAL STATEMENTS—Concluded

Utility Funds—Section D	
Capital and Loan Fund:	
Balance Sheet	
Capital Surplus—Statement of	
Source and Application of Funds—Statement of	
Revenue Fund:	
Balance Sheet	
Surplus (Deficit)—Statement of	
Water Supply System—Revenue and Expenditure Statement	
Other Utilities — “ “ “ “	
Sinking Fund—Section E	
Balance Sheet	
Surplus (Deficit)—Statement of	
Revenue and Expenditure—Statement of	
Receipts and Payments—Statement of	
Reserve Funds—Section F	
Balance Sheet	
Reserve Fund Balance—Reconciliation of	
Revenue and Expenditure—Statement of	
Trust and Agency Funds—Section G	
Balance Sheet	
Appendix “1”—Procedure for Reporting Joint or Special Expenditures and Other Special Municipal Relationships	
Appendix “2”—Utility Revenue and Expenditure Statements	

MUNICIPAL ACCOUNTING TERMINOLOGY

Municipal Accounting Terminology	
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ASSESSMENTS, AREA, POPULATION, ROAD AND STREET STATISTICS

Assessed Valuations of Real Property	
Assessments on Which Taxes are Levied	
Assessed Valuations of Property Wholly Exempt from Taxation by Statute	
Exemptions from Taxation of Real Property Which May Be Taxed	
Area—in Acres	
Population	
Sewer and Water Main Mileage	
Road Mileage—Rural Municipalities	
Street “ — Urban Municipalities	
Road Expenditure—Rural Municipalities	
Street “ — Urban Municipalities	

MUNICIPAL SUPERANNUATION OR PENSION FUNDS

Balance Sheet	
Surplus (Deficit)—Statement of	
Fund Account	
Revenue and Expenditure—Statement of	

COMBINED BALANCE SHEETS

It is essential to the understanding and appreciation of the financial state of a municipal corporation at the end of a financial period to bring together all like balance sheets which have been separately constituted for administrative purposes. While the records for general activities, special activities and utilities are maintained separately in order that each may be examined as to its financial condition, each separate balance sheet is a part only of a whole accounting of the financial position of the municipality. The overall balance sheet position must be presented. This is accomplished by summarization of all capital and loan fund balance sheets into one combined statement, and all revenue or current fund balance sheets into another, so as to show the complete long-term liabilities of the municipality in the one and its current assets with commitments thereof in the other.

All sectional Capital and Loan Fund Balance Sheets are brought together in the "Combined Capital and Loan Funds Balance Sheet". If there are many of these, those of each Section may be combined first at the beginning of the Section, with totals for the Section carried to the principal combined balance sheet. The Combined Capital and Loan Funds Balance Sheet is supplemented by schedules which give detail of debenture and other long-term debt.

The Revenue Fund Balance Sheets are similarly brought together in the "Combined Revenue Funds Balance Sheet", which if necessary may be supplemented by combinations at the beginning of one or both Sections.

These forms do not provide for the inclusion of school authorities, as these are to be treated as separate authorities with separate financial statements, except when they form an integral part of the municipal corporation and its accounts, as presently in Alberta Counties. This does not preclude the inclusion of school authority statements within the covers of a municipal financial report. The same applies to special districts authorities where it is required that one of the participating municipalities publish the financial statements.

The amounts appearing in the individual general, special activity and utility fund balance sheets should be entered in these statements according to the condensed classification, with totals extended. In order to clarify the procedure, there is entered in each of the columns, opposite the various items, the number of the corresponding item or items appearing in the respective capital and loan fund and revenue fund balance sheets.

COMBINED CAPITAL AND LOAN FUNDS BALANCE SHEET

As at December 31st, 19

	General Capital and Loan Fund	Special Activities Capital and Loan Funds*	Utilities Capital and Loan Funds*	Total Capital and Loan Funds
	\$	\$	\$	\$
ASSETS				
1. Fixed Assets and Works in Progress
2. Due from Other Municipalities and Special District Authorities For:				
21. Debentures
22. Other Long-Term Debt
3. Due from School Authorities for Debentures
4. Due from Sinking Fund for Retire- ment of Debentures
5. Investments (Securities)
6. Cash and Bank Balances
7. Accounts Receivable
8. Other Assets
9. Due from Other Funds
10. Deficits or Extraordinary Expenses Capitalized
11. Total	=====	=====	=====	=====
LIABILITIES				
1. Debenture Debt (Unmatured)
2. Other Long-Term Indebtedness
3. Due to Other Municipalities and Special District Authorities For:				
31. Debentures
32. Other Long-Term Debt
4. Temporary Loans (Other than Inter- fund)
5. Accounts Payable
6. Other Liabilities
7. Reserves
8. Due to Other Funds
9. Investment in Capital Assets (Capital Surplus**)
10. Total	=====	=====	=====	=====

* Column for each separate fund, or if required, supplementary columnar balance sheets summarizing utilities and special activities with totals carried to this balance sheet. Each Special Activity and Utility should be named.

COMBINED REVENUE FUNDS BALANCE SHEET

As at December 31st, 19

	General Revenue Fund	Special Activities Revenue Funds*	Utilities Revenue Funds*	Total Revenue Funds
	\$	\$	\$	\$
ASSETS				
1. Cash
2. Investments
3. Accounts Receivable
4. Taxes Receivable
5. Property Held for Sale
6. Inventories
7. Other Assets
8. Due from Capital and Loan Funds
9. Due from Other Revenue Funds
10. Due from Sinking, Reserve and Trust Funds
11. Deficit
12. Total
LIABILITIES				
1. Bank Overdrafts
2. Temporary Loans
3. Accounts Payable
4. Other Liabilities
5. Reserves
6. Due to Capital and Loan Funds
7. Due to Other Revenue Funds
8. Due to Sinking, Reserve and Trust Funds
9. Surpluses
10. Total

* Column for each separate fund, or if required, supplementary columnar balance sheets summarizing utilities and special activities, with totals carried to this balance sheet. Each Special Activity and Utility should be named.

GENERAL CAPITAL AND LOAN FUND BALANCE SHEET

**GENERAL CAPITAL AND LOAN FUND
BALANCE SHEET**

As at19....
(Day) (Month)

ASSETS

- | | |
|---|----------|
| 1. General Fixed (Land, Buildings, Engineering Structures, Machinery and Equipment, including Local Improvements)..... | \$ |
| 2. Works in Progress ..... | ..... |
| 3. Due from Other Municipalities and Special District Authorities for: | |
| 31. Debentures: | \$ |
| 32. Other Long-Term Debt: ..... | ..... |
| 4. Due from School Authorities for Debentures ..... | ..... |
| 5. Due from Sinking Fund for Retirement of Debentures ..... | ..... |
| 6. Cash ..... | ..... |
| 7. Investments ..... | ..... |
| 8. Accounts Receivable: | |
| 81. Sundry ..... | ..... |
| 82. Due from Other Municipalities: (Other than for Debentures) ..... | ..... |
| 83. Due from Provinces ..... | ..... |
| 84. Due from Dominion ..... | ..... |
| 9. Due from Other Funds: (Specify) | |
| 91. .... | ..... |
| 92. .... | ..... |
| 93. .... | ..... |
| 10. Other Tangible Assets: (Specify) | |
| 101. .... | ..... |
| 102. .... | ..... |
| 11. Deficits and/or Extraordinary Expenditures Capitalized: | |
| 111. .... | ..... |
| 112. .... | ..... |
| 113. .... | ..... |

Total Assets	\$
--------------------	----------

Guarantees and Contingent Liabilities —

\$

**GENERAL CAPITAL AND LOAN FUND
BALANCE SHEET**

As at 19....
(Day) (Month)

LIABILITIES

1. Debenture Debt (Excluding Unsold Debentures).....	\$
2. Other Long-Term Debt:	
21. Due to Dominion of Canada	\$
22. Due to Province .....	.....
23. Due to Others: (Specify) .....	.....
3. Due to Other Municipalities and Special District Authorities for:	
31. Debentures.....	.....
32. Other Long-Term Debt.....	.....
4. Temporary Loans .....	.....
5. Accounts Payable:	
51. Sundry .....	.....
52. Due to Other Municipalities (Other than for Debentures) .....	.....
53. ....	.....
54. ....	.....
6. Due to Other Funds: (Specify)	
61. ....	.....
62. ....	.....
7. Other Liabilities: (Specify)	
71. ....	.....
72. ....	.....
8. Reserves: (Specify)	
81. ....	.....
82. ....	.....
9. Investment in Capital Assets .....	.....
Total Liabilities	\$

Local Improvement Debentures — Included in Item 1 above.

Owner's Share	\$
Municipality's Share .....	.....
Total	\$

**GENERAL CAPITAL AND LOAN FUND
STATEMENT OF INVESTMENT IN CAPITAL ASSETS**

For the Fiscal Year Ended 19
(Day) (Month)

	Debit	Credit	Balance
1. Balance of Investment in Capital Assets at Beginning of Year		\$	
2. Adjustments Affecting Operations of Previous Years: (Specify)			
..... \$			
.....			
.....			
.....			
3. Balance after Above Adjustments			\$
4. Other Adjustments Affecting Investment in Capital Assets:			
41. Assets acquired by deed or gift			
42. Assets written off			
43. Retirement of Debentures from ordinary Revenue or Sinking Fund			
44. Other			
5. Assets of Other Municipalities Acquired			
6. Liabilities of Other Municipalities Assumed			
7. Assets Transferred to Other Municipalities			
8. Liabilities Assumed by Other Municipalities			
9. Balance of Investment in Capital Assets at End of Year— Carried forward to General Capital Loan Fund Balance Sheet			\$
10. Total of Debit and Credit Columns	\$	\$	

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

GENERAL CAPITAL AND LOAN FUND
STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the Fiscal Year Ended 19
(Day) (Month)

Source of Funds (Funds Provided)

1. Unexpended Funds (from previous year)*: (Specify by Project)	
11.	\$
12. ....	.....
13. ....	.....
14.	\$
2. Debentures:	
21. Authorized .....	.....
22. Less Unissued and Unsold .....	.....
23. Provided by Issuance and Sale of Debentures (Par Value) .....	.....
3. Provided by Other Long-Term Borrowings from:	
31. Dominion and its Enterprises (Specify) .....	.....
32. Province and its Enterprises (Specify) .....	.....
33. Other (Specify) .....	.....
4. Provided by Commuted Local Improvement Levies .....	.....
5. Provided by General Revenue Fund for:	
51. Acquisition of General Fixed Assets .....	.....
52. Debenture Discount .....	.....
6. Provided by Utility and Special Activity Funds: (Specify)	
61. ....	.....
62. ....	.....
63. ....	.....
7. Provided by Reserve Funds: (Specify)	
71. ....	.....
72. ....	.....
8. Provided by Sale of Fixed Assets .....	.....
9. Provided by Insurance Recoveries .....	.....
10. Provided by Grants-in-Aid or Shared-Cost Contribution from:	
101. Dominion .....	.....
102. Province .....	.....
103. Other Municipalities .....	.....
104. ....	.....
11. Provided by Gifts .....	.....
12. Interest and Exchange:	
121. Interest on Bank Deposits .....	.....
122. Interest on Temporary Investments .....	.....
123. Interest on Debentures Sold .....	.....
124. Gain on Foreign Exchange .....	.....
13. Premium on Debentures .....	.....
14. Other: (Specify) .....	.....
15. Overexpenditure (to be provided): (Specify by Project)	
151. ....	.....
152. ....	.....
153. ....	.....
154. ....	.....
16. Total	\$

* These unexpended funds are represented on the General Capital and Loan Fund Balance Sheet of the previous year by:

Cash	\$
Investments .....	.....
Accounts Receivable .....	.....
	<u>\$</u>

**GENERAL CAPITAL AND LOAN FUND
STATEMENT OF SOURCE AND APPLICATION OF FUNDS**

For the Fiscal Year Ended 19
(Day) (Month)

Application of Funds (Expenditure)

1. Overexpenditure of Previous Year Provided: (Specify by Project)

11.	\$
12. ....	.....
13. ....	.....
14.	\$

2. Expenditure for General Fixed Assets.....

3. Expenditure for Special Activity Fixed Assets: (Specify)

31.
32.
33.

4. Expenditure for Utility Plant from Utility Contributions:

41. ....	.....
42. ....	.....

5. Expenditure for School Assets or Debenture Funds Transferred to School Authorities

6. Extraordinary Expenses Capitalized: (Specify)

61. ....	.....
62. ....	.....

7. Retirement of Debentures or Sinking Fund Contributions from Excess Capital Funds

8. Interest on Temporary Borrowings and Bank Charges

9. Loss on Foreign Exchange

10. Cost of Issuing and Selling Debentures

11. Discount on Sale of Debentures - If not provided by Revenue Fund

12. Other: (Specify)

13. Unexpended Funds*: (Specify by Project)

131.
132. ....	.....
133. ....	.....
134. ....	.....

14. Total \$

* These unexpended funds are represented in the General Capital and Loan Fund Balance Sheet by:

Cash	\$
Investments .....	.....
Accounts Receivable .....	.....
	\$

**GENERAL REVENUE FUND
BALANCE SHEET**

As at19....
(Day) (Month)

ASSETS

1. Cash	\$
2. Investments .....	.....
3. Accounts Receivable:	
31. Sundry Accounts and Rents Receivable	\$
32. Agreements .....	.....
33.	\$
Less: Allowance for Doubtful Accounts .....	.....
4. Due from Other Municipalities: (Specify)	
41. For Payment of Debentures .....	.....
42. ....	.....
5. Due from Province: (Specify)	
51. ....	.....
52. ....	.....
6. Due from Dominion of Canada: (Specify) .....	.....
7. Due from School Authorities .....	.....
8. Due from Special District Authorities: (Specify) .....	.....
9. Due from General Capital Fund .....	.....
10. Due from Special Activities: (Specify)	
101. ....	.....
102. ....	.....
11. Due from Utilities: (Specify)	
111. ....	.....
112. ....	.....
12. Due from Other Funds: (Specify)	
121. ....	.....
122. ....	.....
13. Taxes Receivable:	
131. Taxes (Principal only) .....	.....
132. Interest and Penalties on Taxes Receivable .....	.....
133. Tax Arrears Agreements .....	.....
Less Allowances for:	
Uncollectible Taxes .....	.....
Interest on Taxes Receivable .....	.....
14. Property Acquired for Taxes:	
141. Subject to Redemption .....	.....
142. Deeded to Municipality .....	.....
Less: Allowance for Loss on Property Acquired for Taxes .....	.....
15. Inventories .....	.....
16. Accrued Items: (Specify)	
161. ....	.....
162. ....	.....
17. Other Assets: (Specify)	
171. ....	.....
172. ....	.....
18. Deficit .....	.....
 Total Assets	 \$

**GENERAL REVENUE FUND
BALANCE SHEET**

As at19....
(Day) (Month)

LIABILITIES

1. Bank Overdrafts	\$
2. Temporary Loans .....	.....
3. Accounts Payable .....	.....
4. Debentures and Coupons Due:	
41. Principal	\$
42. Interest .....	.....
5. Due to Other Municipalities:	
51. Due for Payment of Debentures:	
511. Principal	\$
512. Interest .....	.....
52. ....	.....
6. Due to Province: (Specify)	
61. ....	.....
62. ....	.....
63. ....	.....
7. Due to Dominion of Canada: (Specify) .....	.....
8. Due to School Authorities .....	.....
9. Due to Special District Authorities: (Specify) .....	.....
10. Due to General Capital and Loan Fund .....	.....
11. Due to Special Activities: (Specify)	
111. ....	.....
112. ....	.....
12. Due to Utilities: (Specify)	
121. ....	.....
122. ....	.....
13. Due to Other Funds: (Specify)	
131. ....	.....
132. ....	.....
14. Accrued Items:	
141. ....	.....
142. ....	.....
15. Other Liabilities:	
151. ....	.....
152. ....	.....
16. Reserves for:	
161. Undetermined Future Losses on Assets: (Specify)	
1611. Uncollected Taxes .....	.....
1612. ....	.....
162. Contingencies: (Specify)	
1621. ....	.....
1622. ....	.....
163. Future Expenditures: (Specify)	
1631. ....	.....
1632. ....	.....
164. Working Funds: (Specify)	
1641. ....	.....
1642. ....	.....
17. Surplus .....	.....
Total Liabilities	\$

GENERAL FUND
STATEMENT OF GENERAL REVENUE AND EXPENDITURE

For the Fiscal Year Ended 19
(Day) (Month)

REVENUE

1. Taxation:

11. General and School Taxation	\$
111. Real Property .....	.....
1111. Land .....	.....
1112. Improvements .....	.....
112. Personal Property .....	.....
113. Business .....	.....
114. Income .....	.....
115. Poll .....	.....
116. Amusement (Municipality's Share) .....	.....
117. Sales .....	.....
118. Household and Tenant .....	.....
119. Other (Specify)	\$
12. Special Assessments (Owner's Share) and charges:	
121. Local Improvements .....	.....
122. Other Special Charges (Specify)	\$

2. Licences and Permits:

21. Professional and Business
22. Other (Specify) .....	.....

3. Rents, Concessions and Franchises

.....

4. Fines

.....

5. Interest, Tax Penalties, etc.:

51. Interest on Bank Deposits and Investments .....	.....
52. Tax Penalties .....	.....
53. Premiums, Discounts and Exchange .....	.....

6. Service Charges

.....

7. Recreation and Community Services:

71. Recreation Services
72. Community Services .....	.....

8. Contributions:

81. Governments .....	.....
82. Government Enterprises .....	.....
83. Other .....	.....
831. Sinking Fund Excess Earnings .....	.....
832. Other .....	.....

9. Miscellaneous: (Specify)

.....

10. Total Revenue \$

**11. Surplus from Previous Years (If Used) – Transferred
 from General Revenue Fund Surplus (Deficit) Account**

111. Transferred from General Revenue Fund Surplus (Deficit) Account .....	.....
112. Transferred from Reserves .....	.....

12. Total \$

**13. Deficit for Year (Excess of Expenditure over Revenue) –
 Carried Forward to General Revenue Fund Surplus
 (Deficit) Account**

.....

14. Grand Total, General Revenue Section \$

**GENERAL FUND
STATEMENT OF GENERAL REVENUE AND EXPENDITURE**

For the Fiscal Year Ended 19
(Day) (Month)

EXPENDITURE

1. General Government:

11. Executive and Legislative	\$	
12. Administrative		
13. Other General Government Expenditure	\$	

2. Protection to Persons and Property:

21. Fire Protection		
22. Police Protection		
23. Law Enforcement		
24. Corrections		
25. Protective Inspections		
26. Street Lighting		
27. Destruction of Pests		
28. Other Protection: (Specify)		

3. Public Works:

31. Streets, Roads, Bridges, etc.		
32. Other Public Works		

4. Sanitation and Waste Removal

5. Health:

51. Public Health		
52. Medical, Dental and Allied Services		
53. Hospital Care—Municipal Hospital Contribution/Deficit		
Other Hospital Care		
54. Other Health		

6. Social Welfare:

61. Aid to Aged Persons: Municipal Home Contribution/Deficit		
Other Aid to Aged		
62. Aid to Blind Persons		
63. Aid to Unemployed and Unemployables		
64. Mothers' Allowances		
65. Child Welfare: Childrens' Homes Contribution/Deficit		
Other Child Welfare		
66. Other Social Welfare		

7. Education:

71. Elementary:		
711. Public School Authority Requisition		
712. Separate School Authority Requisition		
72. Secondary—High School, Collegiate, Continuation School—		
Requisitions		
73. Technical or Vocational School Requisition		
74. Other Education Expenditure: (Specify)		

8. Recreation and Community Services:

81. Special Activities—Contributions Levies and Deficits: (Specify)		
82. Recreation Services		
83. Other Community Services		

**GENERAL FUND
STATEMENT OF GENERAL REVENUE AND EXPENDITURE**

For the Fiscal Year Ended 19
(Day) (Month)

EXPENDITURE — Concluded

9. Debt Charges:

91. Long-Term Debt Charges: Net of Debt Charges Recoverable from
Outside Authorities.
911. Debenture Debt Charges \$
912. Other Long-Term Debt Charges \$
92. Other Debt Charges:
921. Temporary Debt Charges
922. Other

10. Utilities:

101. Deficits: (Specify)
.....
102. Levies: (Specify)
.....

11. Appropriations for Reserves and Provisions for Allowances:

111. Appropriations for Reserves for:
1111. Undetermined Losses on Assets
1112. Contingencies
1113. Future Expenditures
112. Provisions for Allowances for Losses on:
1121. Uncollectible Taxes
1122. Accounts Receivable
1123. Property Acquired for Taxes

12. Contributions to Reserve Funds: (Specify)

13. Contributions to General Capital and Loan Fund

14. Joint or Special Expenditures: (Specify)

15. Miscellaneous:

151. Civil Defence
152. Other

16. Total Expenditure \$

**17. Deficit from Previous Years (If Any) — Transferred from General Revenue
Fund Surplus (Deficit) Statement \$**

18. Total \$

**19. Surplus for Year (Excess of Revenue over Expenditure) — Carried For-
ward to General Revenue Fund Surplus (Deficit) Statement**

20. Grand Total Expenditure Section \$

COMMENTS
on
MUNICIPAL ACCOUNTING
TERMINOLOGY

MUNICIPAL ACCOUNTING TERMINOLOGY

Included in the Municipal Finance Reporting Manual is a glossary of municipal accounting terms and their definitions which is the result of the work of the Dominion-Provincial Conferences on Municipal Statistics. The matter of developing appropriate municipal accounting terminology, applicable to Canadian systems, was considered to be very important; however many difficulties are now being encountered in the statistical application of municipal data because of the lack of integration of accounting terms with those of the federal and provincial levels of government. To bring about this needed standardization of government finance terminology will require much research, work and co-operation.

The Dominion Bureau of Statistics, in consultation with others, is planning to develop recommendations for standard accounting terminology for all three levels of government. While it is acknowledged that the use of a common language will not by itself overcome difficulties of comparability and compatibility of public finance data, it will be impossible to achieve improved statistical programs without the aid of such a common language.

PART V

APPENDIX

A CROSS REFERENCE
of the
RESOLUTIONS
of the
DOMINION-PROVINCIAL CONFERENCES
on
FINANCIAL STATISTICS

PROVINCIAL AND MUNICIPAL
by
SUBJECT MATTER

Dominion-Provincial Conferences on Financial Statistics

	Co-ordination of all levels, public finance		Basic uniform reporting; standard classification terminology		Fiscal year end		Special surveys and studies		Continuing committees, appointment and referrals		Manual of instructions		Local boards and commissions, identification, classification, reporting		Capital account		Population and assessment	
	Resolution	Page	Resolution	Page	Resolution	Page	Resolution	Page	Resolution	Page	Resolution	Page	Resolution	Page	Resolution	Page	Resolution	Page
Provincial financial statistics¹																		
1933 First Conference	1 7	6 6	2 3 4 5	6 6 6 6	6	6												
1943 Second Conference	1 2 3	7 7 8	2 8	7 8	3	8	7	8	9	8			6	8	8	8		
1945 Third Conference			6	10	3	9,10			9	11								
1947 Fourth Conference	1 3	12 12	1	12					2 3	12 12								
1952 Fifth Conference			1 4	16 17					5	16								
Municipal financial statistics																		
1937 First Conference	1	12	1 2 5	12 12 12	7	12			3	12								
1940 Second Conference			1 2 4	13 13 13			6	12			3	13	4	13				
1940 Third Conference							4	13					3,4	14			1,2	14
1947 Fourth Conference									5	15							1-4	15
1948 Fifth Conference											1	16						
1953 Sixth Conference			2 6 12	17 18 18			8 9	18 18	10 11	18 18					5	17,18	7	18
1958 Seventh Conference			7	19,20			1	19	4 6 7 8 9	19 19 19,20 20 20	5	19						
													10	20				

¹ Reference: DBS Catalogue No. 68-504 "A Review of Dominion-Provincial Conferences on Provincial Financial Statistics 1933-1960".

